





## NEWS: INTERNATIONAL

# Bonn pledges DM4bn for new aircraft

By Michael Lindemann in Bonn and Bernard Gray in London

Germany yesterday said it was ready to spend DM4.3bn (£2.9bn) to develop the next generation of European military transport plane, dubbed the Future Large Aircraft.

That would put the full development cost of the FLA at about \$7.5bn (£4.8bn), much higher than previous forecasts of between \$4bn and \$5bn. It is the first time any of the project's leading partners - Germany, France, Britain, Italy and Spain - have com-

mitted themselves to precise development figures.

Mr Edmund Stoiber, the Bavarian state premier, said the money had been set aside in the German federal budget and that the FLA was to be ready by the year 2003. The German requirement for the FLA comes later than other partners, with Britain requiring aircraft in 2003 and France nearer the year 2006.

The high development figure surprised some involved in the project, who had put the German share of the development cost at closer to DM2bn.

One senior government official said Mr Stoiber had been "a little too zealous" in announcing the figure.

However, he confirmed that Mr Volker Rühe, defence minister, had used the figure at a meeting in Bonn of ministers and senior industry executives called to discuss the problems of the German aerospace industry. Mr Rühe had told the meeting that the DM4.3bn had been set aside in his ministry's longer-term budget plans, the official said.

In Paris yesterday, by contrast, there were indications that the

French government might want to slow development of the FLA because of the squeeze on the French defence budget. Paris might also want to slow production of the Tiger attack helicopter, another programme which German industry wants to accelerate.

Germany and France have agreed to press ahead with the FLA and are trying to persuade Britain to rejoin the project.

Britain has agreed to rejoin provided the programme is commercially managed by the Airbus consortium, and its costings are acceptable. A

decision is expected by the end of the year.

Britain has £150m in hand to start its share of FLA development. It would expect to make the wings, as it does on other Airbus aircraft.

However, Daimler-Benz Aerospace is also keen to manufacture the FLA wings and there may be competition for the work.

The four-nation Airbus consortium is creating a military company to handle the FLA, and to accommodate Italy, which is not currently an Airbus partner.

## US woos Germany over radar satellites

By Michael Lindemann

Bonn said yesterday it had received a "very attractive US offer" to co-operate on a series of reconnaissance and radar satellites, possibly jeopardising a planned joint venture with the French.

The US is believed to have made Germany the offer in the hope of scuttling talks between the Germans and the French on the development of a new generation of French Helios satellites. The Franco-German talks have been going on for more than a year.

Officials said that Germany had access to information gathered by US spy satellites, and the US wanted to keep Germany in its sphere of influence.

An official in Bonn indicated that, under the terms of the US offer, Germany would purchase US equipment, but there was also scope for some German input into the project. France might also be involved, but that would "not necessarily" be the case, he added.

The Franco-German project would involve the two sides creating a joint company to build a Helios II infra-red satellite and a further generation of radar satellites dubbed Osiris.

However, the German official indicated that the talks between the two sides had stalled on questions of financing and project leadership. The Germans, who claim leadership in radar satellite technology, want the radar satellite project to be based in Munich.

Germany said it was ready to spend DM2.2bn (£1.5bn) over an unspecified number of years to develop the radar satellite. Up to DM1.7bn is earmarked for the various Franco-German projects, including radar, reconnaissance and infra-red satellites.

The satellite programmes are among a number of projects which the embattled German aerospace industry hopes will be confirmed soon.

Daimler-Benz Aerospace (Dasa), which represents about 50 per cent of the industry, is pressing the government to bring forward several military projects so that the company does not have to lay off staff.

Dasa was badly hit by the fall of the dollar against the DM-Mark earlier this year. Most of its earnings are in dollars.

According to an internal report leaked in August, the company is planning to shed 15,000 jobs.

Mr Manfred Bischoff, chief executive, said yesterday in Bonn, however, that such figures were exaggerated.

Mr Volker Rühe, defence minister, told a high-level meeting of ministers and aerospace executives that he was committed to buying 140 Euro-fighter aircraft and underlined his commitment to other military projects.

These include the Tiger attack helicopter, which is to be ready by the year 2001, and the NH-90 transport helicopter, which is to be ready by 2003.

## Austria squares up to a December election

By Ian Rodger in Zurich

Austria's parliament voted to dissolve itself last night, clearing the way for a general election, expected to be held on December 17.

The decision to hold a fresh election came in the wake of the collapse on Thursday of the year-old governing coalition of the Social Democratic Party and the conservative Austrian People's party.

The two parties, which have ruled the country since 1986, fell out over measures to reduce the deficit on next year's federal budget.

Mr Franz Vranitzky, the chancellor, said yesterday he would probably quit if his Social Democratic party did not emerge again as the strongest party.

"I would seriously consider resigning from politics if my party did not get the most votes in the next election," he said.

Opinion polls indicate a close race involving the two ruling parties and the right-wing Freedom party, led by the populist Mr Jörg Haider. Each appears to have the support of

between 25 and 30 per cent of the voters.

Mr Vranitzky also ruled out accepting the position of vice-chancellor, a post he would most likely be offered if the Social Democrats became a junior partner in a new governing coalition.

A soft-spoken banker turned politician, he has been a popular and moderate chancellor since 1986.

**Parliament votes to dissolve itself after Austria's ruling coalition collapses**

But he was stunned by the decline in his party's popularity to a post-war low of 35 per cent in last October's general election, and has appeared much less confident since then.

Mr Vranitzky said that he would use his re-election campaign to show Austrians the danger of a potential alliance between the People's party

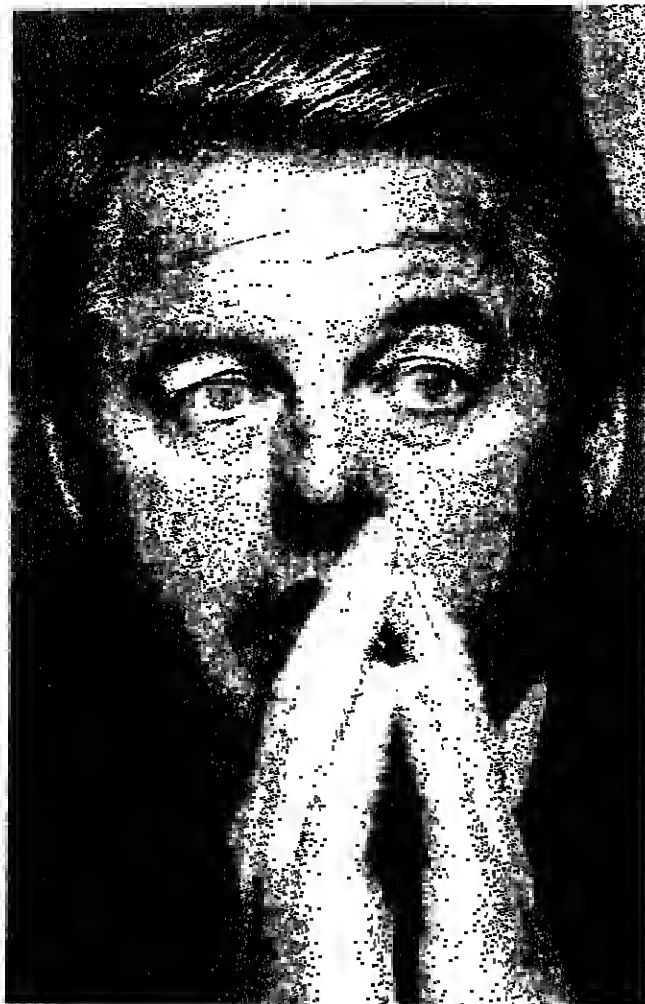
and Mr Haider's Freedom party.

Meanwhile, the finance ministry revealed that the federal deficit for the current year would reach Sch125.3bn (\$12.2bn), some Sch23bn more than the Sch102bn which was set down in the budget passed earlier this year.

The deficit will be larger partly because of an unexpected side-effect of Austria joining the European Union in January. Austrian consumers took advantage of the opportunity to buy many goods more cheaply in neighbouring Italy and Germany, reducing the government's income from value added tax.

The collapse of the budget cutting negotiations also played a role. As a result of the election campaign, the plan to complete the privatisation of Creditanstalt-Bankverein has been shelved.

The finance ministry hoped to raise Sch18bn from the sale. Implementation of Sch1bn per month of agreed spending cuts and tax increases will be delayed for several months next year until a new budget is agreed and passed.



Franz Vranitzky, talking of resignation

## Lively Yeltsin rounds on his ministers

By John Thornhill in Moscow

An animated President Boris Yeltsin yesterday reasserted his pre-eminence in Russian politics, promising a peaceful solution to the conflict in Chechnya and striking a number of populist themes on the economy and crime ahead of December's parliamentary elections.

In a lively meeting with the leaders of Russia's republics, Mr Yeltsin said he would resist all provocation from Chechen guerrillas and press ahead with plans to reconstruct the devastated republic and ease the financial plight of its people.

"The political stability in the country will depend on the situation in Chechnya," he said.

Mr Yeltsin has conspicuously ignored the advice of Russia's defence and interior ministers, who have demanded a forceful response in Chechnya since a recent upsurge in violence left several Russian troops dead and a senior commander severely wounded.

Mr Yeltsin also rounded on other ministers yesterday, picking holes in next year's budget and expressing concern about the criminalisation of politics. His press spokesman told the Interfax news agency that Mr Yeltsin had strongly criticised the government for not maintaining regular payments of pensions and wages

and failing to protect investors' interests.

In an apparent attempt to break out of the somnolence that has enveloped his presidency in recent months, Mr Yeltsin has adopted an increasingly nationalist tone.

"This month Yeltsin looks presidential and like a man who wants to remain in power. Last month when he was playing tennis in Sochi he didn't," one western diplomat said.

Most of Mr Yeltsin's statements yesterday lacked detail, but he promised the republic leaders he would increase federal spending on Russia's regions from Rb15,000bn to Rb38,000bn (\$5.3bn) next year.

He also announced changes to the tax regime designed to ensure that regional governments have an incentive to contribute more to the federal budget.

Mr Yeltsin has said he will remain aloof from December's parliamentary elections, in which communists and nationalists are expected to do well.

But behind the scenes he has encouraged the formation of moderate political blocs in an attempt to marginalise the extremists.

The parliamentary elections are unlikely to impinge directly on the president's authority but will set the tone for the more important presidential poll due next June.

## Real threat to Russia is crime, officials warn

By Christy Freeland in Moscow

Organised crime and corrupt government officials pose a greater threat to Russia than any external menace, Russian leaders said yesterday.

Russian officials have often dismissed concerns about rising crime as an invention of the media, but yesterday's statements were an explicit, public acknowledgement of the extent to which crime and corruption permeate Russian society.

The comments lend credence to warnings by some western and Russian observers that, instead of becoming a liberal market economy, post-communist Russia could develop into a freedom of organised criminals, working in co-operation with the government.

Mr Yuri Baturin, the Russian president's senior national security adviser, said several thousand criminal gangs, employing more than 25,000 people, were operating in Russia. They controlled more than 40,000 enterprises.

"The question of economic crime is one of the most complex problems and the economic part of organised crime in general is a destabilising factor in the country," Mr Baturin said.

He estimated that corrupt government officials assisted at least a quarter of Russia's criminal gangs.

"Here and there the [average Russian civil servant] is offered bribes in dollars, with many zeros, as much as three times his annual salary," Mr Baturin said.

He said the state was further hobbled in its efforts to combat crime and corruption by a systematic campaign of intimidation. "Attempts to neutralise [criminal] groups encounter vigorous armed resistance. The practice of intimidating members of law enforcement agencies and judges is becoming ever more widespread."

Mr Boris Yeltsin, the Russian president, sounded another note of caution, warning that dozens of criminals were standing for seats in December's parliamentary elections. MPs enjoy immunity from criminal prosecution.

According to the Russian news agency Itar-Tass, at a meeting with regional leaders Mr Yeltsin "expressed alarm" at the number of candidates with criminal records participating in the campaign. He said that in several constituencies the criminals had already threatened their rivals and pressed them to resign.

At least 100 of the candidates registered to stand in the parliamentary ballot have criminal records, according to Mr Oleg Gaidanov, the acting prosecutor general. "You can imagine what kind of laws they would pass [if they were to win]," Mr Gaidanov said.

## Sweden's deputy leader in credit row

By Hugh Carnegie in Stockholm

A new row has blown up in Sweden over the troubled process of choosing a successor to Prime Minister Ingvar Carlsson following revelations that Ms Mona Sahlin, the sole candidate so far to replace him, repeatedly used her government-issued credit card for personal expenditures.

The revelations that Ms Sahlin, currently deputy prime minister, used her card to withdraw cash, buy clothes and take her family on a holiday abroad - then took months to pay back the debts - have deeply embarrassed the Social Democratic party.

They came as the party leadership hoped an earlier dispute within party ranks over the succession to Mr Carlsson, who is to retire next March, was beginning to subside.

Since the Social Democratic vote collapsed in last month's elections to the European parliament, anti-European Union, left-wing and trade union factions in the party have fiercely criticised the government's pro-EU and tough budget policies. They have also threatened to upset the leadership's clear preference for Ms Sahlin to be elected unopposed next year.

Mr Carlsson yesterday expressed his confidence in his young deputy, saying it was "hard for everyone to be perfect".

Ms Sahlin, 38, has now paid back all the SKr43,000 (\$6,200) she ran up in unauthorised bills during two spells as a minister - the most recent last April - including interest for late payment. She will also pay extra tax for receiving benefits in kind in the form of credit.

But the episode has badly shaken her credibility, prompting suggestions from within the Social Democratic party that she might not survive further revelations. The state prosecutor is to study the case, increasing her discomfort.

Credit card accounts and other documents dug out by newspapers showed Ms Sahlin continued to use her card for personal items even after she told concerned officials last December that she would stop.

She admitted yesterday she was "a rather careless person" who "struggled" with her personal finances. "I have done wrong," she said. But she insisted it did not affect her competence as a political leader.

## INTERNATIONAL NEWS DIGEST

## UN sanctions on Iraq to stay

Prospects for lifting sanctions against Iraq have been set back severely by Baghdad's blatant misleading of UN inspectors on the extent of its nuclear, chemical and biological weapons programmes, key members of the Security Council said last night.

US officials said it could take up to a year simply to analyse a mass of data finally handed over to the UN by the Iraqis. Sir John Weston, the UK delegate, said no surprises need be expected when the Council held its next 60-day sanctions review in November.

Mr Rolf Ekeus, head of the UN Inspection Commission which returned from Baghdad this week, briefed the Council on the information released by the Iraqis. Sir John termed it a "chilling account". As a result the Council will have to consider tightening and broadening the scope of the year-old monitoring system.

Michael Littlejohns, New York

## Japanese bank rescue in trouble

Dai-ichi, Japan's largest retailer, and Sanwa Bank, a leading commercial bank, are refusing to take part in the rescue of the Hyogo Bank and Kizu Shinyo Kumiai, two financial institutions which collapsed last August because of mounting bad loans. The refusals have heightened anxiety among financial authorities.

Mr Isao Nakaguchi, president of Dai-ichi, is reluctant to invest in a new bank which will take on the assets, liabilities and operations of Hyogo Bank.

The ministry of finance wants to inaugurate the new bank this month and wants local businesses and banks to put up capital. The ministry estimates it will take almost 10 years for the new bank to pay dividends to investors. "It would be difficult for us to invest in a company which fails to produce profits," said Mr Nakaguchi, adding that he would consider investing if the new bank would pay dividends within three years.

Meanwhile Sanwa Bank rejected claims by the Osaka government that the bank was responsible for the financial problems at Kizu. The Osaka prefectural assembly yesterday disclosed a letter sent to Sanwa in May, calling for the bank to assume financial responsibility for Kizu's plight as Sanwa introduced depositors at Kizu in the late 1980s. The letter, however, was returned by Sanwa unopened because the bank believed that it had no administrative obligation to the Osaka government.

Emiko Terazono, Tokyo

## Row over de Klerk rumours

The African National Congress yesterday accused the National party, its junior partner in the South African government, of spreading rumours aimed at destabilising financial markets. It said the National party was responsible for a report that surfaced in London on Thursday, which claimed that Mr F W de Klerk, the party leader, had resigned as deputy president following a clash with the ANC.

Mr Carl Niehaus, an ANC spokesman, said he had evidence that the office of Mr de Klerk had instigated the rumour, which caused a brief dip in bond prices on the Johannesburg stock exchange. Prices recovered following a statement from Mr de Klerk that the rumours were baseless.

The ANC said the National party's aim was to affect the markets and thereby exaggerate its importance during the run-up to local elections on November 1. The National party rejected the allegations.

Roger Matthews, Johannesburg

## Latvia applies to join EU

Latvia yesterday applied to join the European Union as part of its attempt to reject its Soviet past and re-orient towards the west. President Guntis Ulmanis said the direction of Latvia's foreign policy was clear, although he expected the application process to be long and complex.

Latvia's foreign ministry suggested it could take as long as 10 years before the country complied with all the EU's membership requirements.

John Thornhill, Moscow

## Global consumer code launched

Consumers International, the London-based world federation of consumer organisations, yesterday launched a campaign to persuade multinational companies to sign up to a business ethics charter. The charter covers anti-competitive practices, advertising claims, marketing to children, product standards, labelling and product information, complaints and redress, and guarantees.

CI said that although many voluntary codes existed, the new charter filled the need for a comprehensive cross-industry code that would "set the bounds of ethical behaviour from a consumer perspective". Consumer groups in individual countries would be able to use the code as a benchmark for assessing the behaviour of companies.

The United Nations has been discussing a code of practice for multinationals since the late 1970s, but has failed to agree a set of measures. UN efforts were abandoned last year.

Companies signing up to CI's charter will have to report every two years on how they are complying with the provisions, as well as agreeing to scrutiny of their activities by local consumer organisations.

Diane Summers, London

## Bundesrat blocks MPs' pay rise

Germany's Bundesrat, or upper house, yesterday blocked a controversial change to the constitution which would have linked the salaries of parliamentary deputies to those of the country's highest judges.

The decision by the Bundesrat, which represents the 16 Länder and is dominated by the opposition Social Democratic party, is a blow for Mr Rudolf Scharping, SPD leader. He and the party's parliamentary deputies in the Bundestag, the lower house, had already voted with Chancellor Helmut Kohl's governing coalition for the salary increases.

The proposed increases, which would have meant a 40 per cent pay increase over the next five years, were part of a reform package aimed at reducing the number of parliamentary deputies. But the Bundesrat blocked the draft law, saying the automatic rises would weaken public accountability.

Judy Dempsey, Berlin

## Fresh setback for Ciller



Mrs Tansu Ciller (left), Turkey's prime minister, suffered another damaging defection from her ruling True Path party yesterday, only two days before a crucial vote of confidence in parliament. Mr Erkin Farayali, a former energy minister, followed four True Path MPs who quit on Thursday, cutting the party's seats in parliament to 176. Mrs Ciller needs a simple majority of MPs voting in the 428-member parliament to confirm her new minority government in office. Commentators said tomorrow's vote would be close, but a widening rebellion in the True Path was undoing a complex arrangement in which the far-right Nationalist Action party and the moderate Democratic Left party would support Mrs Ciller's minority government in the vote.

John Barham, Ankara

● The number of registered job-seekers in Spain rose by 37,800 last month to 2.33m or 15.3 per cent of the active population, from 15.1 per cent in August. The increase came after seven consecutive months of decline.

However, the labour ministry said new job placements of 651,000 were the most ever recorded for the month of September.

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## Stream of wounded reported in Banja Luka despite ceasefire

## Serb threat to quit peace process

By Laura Silber in Zagreb and Paul Wood in Banja Luka

A US-led initiative to end the war in Bosnia was in jeopardy yesterday as Bosnian Serb leaders threatened to pull out of the peace process unless Moslem and Croat troops halted their advance against Serb-held towns in the north-west.

Tension rose sharply in the Serb stronghold of Banja Luka as the sound of artillery grew louder. Aid workers warned that hundreds of thousands of Serbs could be put to flight if the town changed hands.

UN officials initially sought to play down the significance of the latest fighting, arguing that violence had died down in most parts of Bosnia since a ceasefire came into effect on

Thursday. However, Mr Nikola Koljivic, a Bosnian Serb leader, called on the international community to stop the Croat and Bosnian government offensive which he said was in open violation of the US-brokered ceasefire.

Backed by Croat troops, Bosnian government forces yesterday began closing in on Prijedor - in an offensive launched from the newly captured town of Sanski Most, 31km to the south.

Some of the 40,000 Serbs who have been driven from their homes over the past week are taking refuge in Prijedor - a prized target for Bosnian government forces because it was the scene of particularly ruthless anti-Moslem violence in 1992.

In Banja Luka the main hos-

pital was struggling yesterday to cope with a stream of wounded, as the fighting continued despite the ceasefire agreement. Doctors said they were working around the clock as casualties arrived from at least three towns which had been seized by the Croatian-Bosnian coalition this week.

Local reporters said four artillery shells hit Prijedor while Mr Radovan Karadzic, the Bosnian Serb leader, was touring the frontline town. "The whole world is celebrating peace, but we don't have peace," he was quoted as saying.

Mr Richard Holbrooke, senior US envoy who is driving the peace process, has played down the importance of a ceasefire. He said all-party talks, which are due to begin

in the US on October 31, would not be disrupted by fighting.

He also said that Nato might use air power to enforce the ceasefire. However, diplomats said this could raise awkward issues as Security Council mandates only allowed for air strikes in defence of UN troops or UN safe areas.

● Michael Lindemann adds from Bonn: Germany yesterday increased the number of troops it is prepared to send to former Yugoslavia to 5,000 and said it was considering sending more aircraft and naval vessels to help shore up the recently signed ceasefire.

The defence ministry said it had received a letter from Nato asking how many German troops were available to serve alongside Nato forces in former Yugoslavia.

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## India to be third biggest rice exporter

By Shiraz Sidhu in New Delhi

India, which struggled for decades to achieve self-sufficiency in foodgrains, is set to become the world's third largest exporter of rice in the next financial year, according to agriculture ministry officials.

Aided by eight consecutive good monsoons, and the recent liberalisation of exports of all varieties of rice, India exported 900,000 tonnes of rice in 1994-95.

Thailand and Vietnam, now the second and third largest exporters after the US, had short crops this year, boosting India's position.

Officials estimate that rice exports will cross the 2m tonnes mark by the end of this financial year on March 31. "For the first time, farmers are growing crops specifically for export and are using techniques to increase crop yields," says a senior official in the agriculture ministry. "We estimate a 30 per cent increase in exports annually, provided there are reasonably good harvests."

Mr Balram Jakhar, India's agriculture minister, said recently: "We have ensured abundant availability to domestic consumers, and now our goal is to boost foreign exchange earnings and ensure more remunerative prices for farmers."

India's rice finds its way to markets in Bangladesh, the Middle East, Europe and Africa. North and West Africa, which are comparatively new markets, account for nearly 60 to 70 per cent of non-basmati rice exports.

India has not yet reached an agreement to export rice to China, which planned to import 2m tonnes of rice this year. But officials say some Indian rice is exported to China through indirect channels.

## Japanese economy 'to recover next year'

By William Dawkins in Tokyo

Japan's economy is expected to recover early next year in response to record low interest rates, a weaker yen, and increased public spending, the government's chief economic forecaster said yesterday.

Mr Isamu Miyazaki, director general of the Economic Planning Agency, predicted continued stagnation at least until the end of this year, but pointed out that corporate capital spending, which tends to lead broader activity, is showing signs of modest recovery.

His comments accompanied the EPA's latest monthly report, which gave a bleak picture of the present state of the economy. Separately, a leading credit research agency, Telokoku Databank, announced a record ¥4.68bn (\$30m) in bankruptcy liabilities in the six months to September, the consequence of a chain reaction caused by the failure of two financial institutions in western Japan.

The economy still shows "signs of weakness," said the EPA report, the second month running in which it has used that term. It cited as evidence a continued rise in stocks of unsold goods and materials in the steel and chemicals industries, record unemployment, slower export growth and slower growth in housing starts. Steel and chemicals inventories both rose in response to weaker demand from the car and housing industries.

However, Mr Miyazaki was encouraged by growing investment in new plant in the electronics and machinery industries. "We will see greater capital spending in high technology industries, reflecting a new emphasis in Japan's economic structure," he said. The EPA report said that last month's ¥14,220bn pump-prime package and a record low official discount rate of 0.5 per cent would "combine well" to stimulate activity.

For the moment, however, the situation remains grim, as underlined by yesterday's report on bankruptcies. The number of corporate collapses in the first half of the fiscal year rose by 9.3 per cent to 7,540, the worst six-monthly toll for nine years. They include 21 subsidiaries of Hyogo Bank and Kinu Shinyo Kumiai, which collapsed in August.

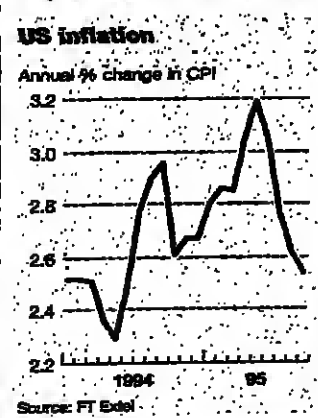
## US enjoys best of all economic worlds

By Michael Prowse in Washington

Much evidence emerged yesterday that the US economy is enjoying low inflation and moderate economic growth.

The Labour Department said consumer prices rose 0.1 per cent last month, less than expected in financial markets. The rate of inflation dropped to 2.5 per cent a year, from 2.6 per cent in August.

Separately, the Commerce Department said retail sales rose 0.3 per cent between August and September.



slightly more than forecasters expected. Excluding cars, sales rose a robust 0.7 per cent.

Share and bond prices rose sharply on Wall Street following the release of the figures, seen as further confirmation that the Federal Reserve has achieved a "soft landing".

"This is good news for business," said Mr David Wyss, chief financial economist at consultants DRI-McGraw Hill. "There is no inflation out there. Growth is continuing at a modest pace."

The consensus view is that the Fed is enjoying the best of all worlds. The jobless rate is 5.6 per cent - close to "full employment". The economy appears to be growing at about 2.5 per cent a year, close to its long-run potential. This means that growth is sufficient to keep unemployment low but not fast enough to put upward pressure on inflation.

Yesterday's retail figures showed strength in nearly all sectors except cars, which saw a setback after exceptional strength in August.

The consumer price index was held down by a large decline in energy prices and by modest declines in clothing and transport costs.

## Time to walk tall for America's black men

Jurek Martin and Afshin Molavi on a controversial march in the footsteps of Martin Luther King

The O.J. Simpson verdict did more than just free a former football star from jail. It showed, yet again, that a chasm exists in US race relations, reflected in one commentator's remark that "blacks and whites might as well live on different planets".

But it is on this planet, in Washington DC on Monday, that the soul-searching national debate enters another dimension. It takes the form of the Million Man March, billed as a black male expression of "atonement, reconciliation, and responsibility".

The march is the brainchild of Mr Louis Farrakhan, the black American Islamic leader whose anti-Jewish and anti-white rhetoric provokes extreme reactions. But his Monday message, at least on the surface, strikes less dissonant chords. It is to bring one million "militant, dedicated, sober, determined" black men to the nation's capital "to make a statement to the world that we are ready to take up our responsibilities as men, whether government does anything for us or not".

The response of prominent blacks has been divided. The Rev Jesse Jackson, Congressman Kweisi Mfume of Mary-

land, Mr Johnnie Cochran, O.J. Simpson's lawyer, and an impressive array of intellectuals will be marching. A comparable group will not, among them retired General Colin Powell, Mr Bill Cosby, the entertainer, some black big city mayors, and leaders of two of the largest black Baptist organisations comprising more than 10m people.

Members of the National Association for the Advancement of Colored People, the oldest civil rights organisation, are lukewarm, possibly because one of the key architects of the event is Rev Benjamin Chavis, ousted last year as NAACP chief under a cloud of embezzlement and sexual harassment.

Turnout estimates range from 50,000 to 500,000 but Rev Chavis, who is also warning of police violence against the marchers, predicts 1.2m men will march. Even if only one third of this goal is reached, it would be one of the largest demonstrations ever staged in Washington.

The men-only stipulation has angered some black women, who argue that they should have a say in such an important forum. As a concession, Ms Maya Angelou, the poet,

and Rosa Parks, the ageing mother of the civil rights movement, have been asked to speak.

President Bill Clinton may also get in on the act, though not in person. He may use a Monday speech in Texas to reflect on the state of race relations. "I thought I knew a lot about how people of different races viewed things in America," he told a press conference last Tuesday, "but I have been surprised by the depth of divergence in so many areas."

The Million Man March certainly illustrates these divergences. Its critics, black and white, complain that excluding whites further exacerbates racial divisions, as does Mr Farrakhan's leading role in it. He did nothing to cool the atmosphere in a recent television interview in which he virtually demanded apologies from whites and Jews for past discriminations against blacks.

On the other hand, Mr Farrakhan and his Nation of Islam acolytes, with their short hair and bow ties, have won respect for their discipline and exhortations to black men to take responsibility for themselves, their families and their crime-ridden communities.

The future of young black



Louis Farrakhan: making a statement to the world

we did then was right. But this whole O.J. case and the blacks cheering the release of a wife-beater and possibly a murderer leaves me uneasy. And this new Farrakhan march, I don't know, it seems kind of threatening. Things just don't feel right."

"I think white America can finally see what we have felt for so long," says Dr Richard Majors, author of *Cool Pose: The Dilemmas of Black Manhood in America*, "that the justice system is stacked against us. In the O.J. case, we cheered because one of our own finally beat the system. Hopefully, this will lead to a more serious dialogue on both sides."

However, "serious dialogue" runs the danger of being overtaken by fringe, extremist rhetoric alongside the Million Man March. It is preceded by a two-day talk-in entitled "Black Holocaust Nation Conference", staged with Mr Farrakhan's blessing and featuring a range of inflammatory speakers.

Dr Majors, who backs the march, says: "While I do not agree with everything Minister Farrakhan says, self-reliance, responsibility, community-building, political activism, atonement - these are all worthy goals, an important message."

The danger lies in "an important message" being lost in the din and noise over a controversial messenger.

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## NEWS: UK

# Samsung moves European base to London

By Alan Cane and  
Andrew Taylor in London

Samsung, South Korea's largest engineering group, is to relocate its European headquarters from Frankfurt to London. Up to 500 jobs could be created by the year 2000 on a site in Hounslow, west London, formerly owned by Trico, the windscreen wiper manufacturer. Samsung is believed to have paid about £2m (\$12.6m) for the site. Trico relocated to south Wales about two years ago.

Mr Daniel O'Brien, managing director of Samsung's electronics manufacturing group in the UK, said a strong

relationship between the Samsung group and local and central government had played a big part in the decision.

Other reasons included London's role as Europe's leading financial centre, good air and rail links, an excellent telecommunications infrastructure and the English language.

The Korean company, advised by commercial property agents Jones Lang Wootton, has also expressed an interest in buying an adjacent site previously occupied by Rank Audio and owned by P&O Developments.

Samsung plans to erect a series of buildings totalling about 150,000 sq ft

on the nine acre former Trico site. Construction costs are expected to be £25m to £30m. Construction is expected to start next year and be complete before 2000.

The site is likely to be heavily landscaped including a Korean garden, creating a smaller version of Samsung's corporate headquarters in Seoul. Contracts for the construction work have yet to be let.

Samsung said earlier this year that it intended to relocate the headquarters to Britain, but had not named a site. Hounslow Initiative, inward investment agency for the London borough of Hounslow, was instrumental

in putting the deal together between Samsung and Trico. The choice of London was announced as Queen Elizabeth II was opening a £450m Samsung manufacturing facility in Cleveland, northern England. When complete, the facility, which makes microwave ovens and computer monitors, will represent the largest investment by a Korean company in the UK.

Samsung already manufactures heavy construction plant elsewhere in northern England, which is believed to be a leading candidate for a semiconductor plant that the company plans to build in Europe in

the next few years. The UK is becoming the principal overseas base for South Korean companies as they move develop new and existing manufacturing sites in response to the threat of anti-dumping duties proposed by the EU.

London was last week voted Europe's top business location in a survey of directors of 500 leading European companies. The survey by international property consultant Healey & Baker as executives to rank cities according to access to markets, domestic and international transport links, cost and availability of staff and property.

## Minister urges fresh blitz on EU regulations

By George Parker,  
Political Staff

A new attack on red tape across the European Union was demanded yesterday by Mr Roger Freeman, minister for public service, after an EU-wide business survey criticised pointless and complex regulations.

Mr Freeman said he would continue a tour of European capitals to press the need for Brussels to produce less, but better regulation.

He was responding to a report by Unice, the Union of Industrial and Employers' Confederations of Europe, which said competitiveness was being harmed by too many poor-quality regulations.

Its survey of 2,500 small and medium-sized companies found concern that many regulations still varied from country to country, hindering the operation of the single market.

But M François Perrot, president of Unice, said: "Contrary to popular belief, the fault lies chiefly not in Brussels, but at national and regional level where most regulations are made."

Unice called for new and

The status of the MIS security service will be changed to allow it to take part in the fight against organised crime and drug rings. Mr John Major, the prime minister, announced yesterday on the last day of the Conservative party's annual conference. MIS is limited now to national security and protecting the country's economic well-being against overseas threats. Mr Major called the restrictions "absurd and indefensible". The police will retain the "lead role" in the war on organised crime through a new national squad already dubbed "a British FBI".

legally binding procedures for early and effective EU consultation with business, to ensure that new rules were necessary and applied in a uniform fashion.

"To keep ahead of its competitors European business needs clear, high-quality regulations which encourage innovation and flexibility," Mr Perrot said. "This reform needs strong leadership starting at the level of the European Union."

Unice says Britain is among EU states most determined to reform regulations, while France is less willing to do so.

Editorial comment, Page 8

## High score for software geniuses

Richard Gourlay watches the rise of Britain's computer millionaires

When Mr John Britten sold the company he had founded in 1994 to his management team last week, he joined the growing ranks of British information technology millionaires. Mr Britten sold Morse Group for £46m (\$72.6m) after helping it become one of the leading suppliers of computer systems to City dealing rooms.

Mr Peter Dawe performed a similar trick this week with Unipalm, maker of the Pipes software used to gain access to the Internet. Only 18 months after Mr Dawe floated Unipalm with a value of £20m, Unipalm Technologies of the US bought it for £37m. Mr Dawe owned stock worth about £22m.

Neither Mr Britten nor Mr Dawe is particularly well known.

Yet increasingly the newcomers are starting, building and floating businesses before they have even been recognised as successful high-tech entrepreneurs by anyone outside their industries. Many are also selling their companies, mainly to US buyers.

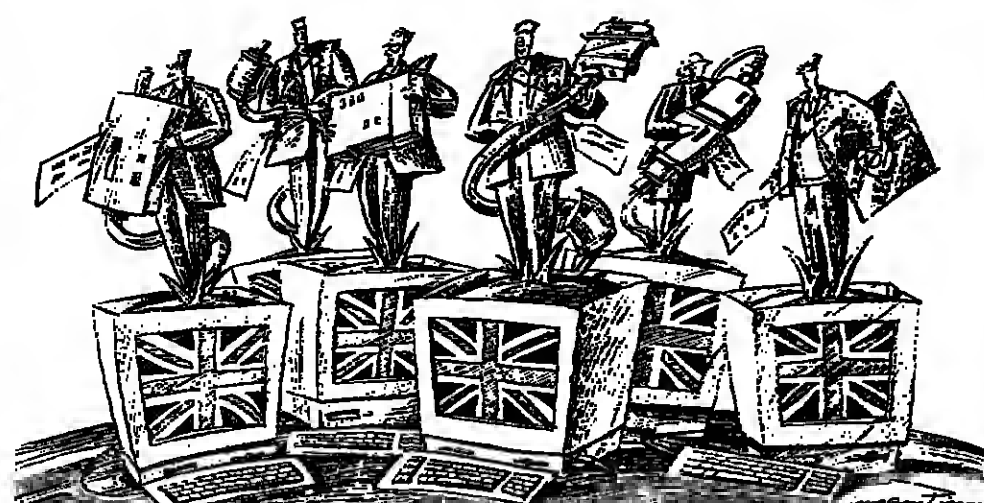
Among the most active shoppers for British technology has been Microsoft, a group not in the habit of making numerous acquisitions. In the past year Microsoft has acquired only five companies, two of which were British - Nextbase and Rendormorphics - as well as buying the intellectual property rights of Network Managers of the UK.

The value of these companies lies in their innovative products. "All the purchases have been of software companies where Microsoft has wanted to fill in holes in its offering of products rather than to buy customers," says Mr Victor Basta, a managing director of Broadview Associates, an IT mergers and acquisitions consultancy.

One of the areas in which UK companies have excelled is computer networking and telecommunications, with their ability to make increasingly powerful software applications available to more people within an organisation.

Leading the way in this field are Mr Robert Madge, who has carved out a niche applying IBM's proprietary "Token Ring" networking technology, and Mr Terry Matthews of Newbridge Networks.

Madge Networks, registered in the Netherlands, was floated on Nasdaq, the US stock mar-



ket, last year and is now valued at \$940m (£600m). Mr Madge still controls half the stock. And Mr Matthews - who based his company in Canada - still controls about a third of Newbridge, which is valued at \$2.1bn on the New York Stock Exchange.

Among the more recent networking entrepreneurs to emerge in the UK are Mr Bob Jones - Sonix Communications, which he part-owned, was sold earlier this year to 3Com of the US for £40m - and Mr Frank Hackett-Jones, who floated Telspec two years ago and retains more than half the company now valued on the London Stock Exchange at more than £200m.

Networking has become a niche for UK entrepreneurs partly because the telecoms market has been opened to competition more quickly in Britain than most other big economies, including the US. It is less clear why the UK has developed another area of expertise in computer games and the software that allows artists to make computer animations and the special effects

used in films such as *Jurassic Park*.

Some people say the sort of individualism vital for software creation is rooted in the British psyche. Others have a more down-to-earth explanation, saying that Sir Clive Sinclair's Spectrum computer of 15 years ago helped to foster a generation of games software writers.

This view is shared by Mr Fergus McGovern, 30, the owner of Probe Entertainment who this week sold his company to Acclaim Entertainment of the US for a price believed to be in excess of £20m. "Kids would ask their parents for a computer for their homework when they really wanted it for the games," says Mr McGovern. "When you got bored you could use the keyboard to make the games yourself."

Mr McGovern joins a long line of young computer games entrepreneurs who have joined or sold their companies in recent years. Mr Chris Stamper and his brothers sold a 35 per cent stake in their company, Rare, to Nintendo earlier this year for an undisclosed sum. Chargeurs, the French industrial group: Bertelsmann, the German entertainment group; and Sony of Japan have also been shopping in the UK in the past year.

Perhaps the ultimate accolade for British creative computing came earlier this year when Silicon Graphics, a leading US maker of computer systems used in animation, took a stake in Cambridge Animation of the UK. Silicon Graphics is linked to DreamWorks, the all-digital production studio partly owned by Hollywood's Steven Spielberg, which wanted to use the Cambridge Animation software.

Some people fear that the spending spree by US companies might cause a "brain drain" of UK talent. But so far most of the US buyers have left their newly acquired development teams in the UK.

Few of the high-tech entrepreneurs have any illusions about how quickly technology changes or how transient their market lead might be. Yet there is a resurgent optimism about the UK's new technology industries.

## UK NEWS DIGEST

## Little Brown buys rights to Leeson book

Mr Nick Leeson, the former Barings trader responsible for the bank's collapse, yesterday sold the book rights to his story for a reported £450,000 (\$706,500). The rights have been bought by the British offshoot of the US publisher Little Brown UK, said Mr Stephen Pollard, a lawyer for Mr Leeson. He did not dispute the figure of £450,000. Mr Pollard said Mr Leeson's first priority with the money would be to pay legal bills run up fighting the Singapore government's attempt to extradite him from Germany. Ms Philippa Harrison, managing director of Little Brown UK, said the manuscript covered the last two years of Mr Leeson's career.

John Mason and Raymond Snoddy

## Insurer heads for flotation

Norwich Union, one of the UK's largest insurers still owned by its policyholders, set course for a possible stock market flotation which would enable it to make large acquisitions. Mr Allan Bridgewater, group chief executive, said changing from mutual ownership to a quoted public company would produce a much more flexible financial structure. "We have no specific plans for an acquisition but you can read into the more flexible financial structure what you will," Mr Bridgewater said. A flotation would almost certainly not take place until the first half of 1997 at the earliest.

At present, Norwich Union is owned by its 2.5m holders of life assurance and personal pension policies. If flotation proceeds, policyholders would get bonuses or free shares. Expansion might be outside the UK, and the group already has a significant presence in New Zealand. It also has operations in Australia, Spain, Italy and the Netherlands.

Alison Smith

## Society to close branches

Alliance & Leicester, the UK's fourth-largest building society, is cutting the number of its branches by more than a tenth. More than 40 branches are to close by the end of March next year, leaving a network of fewer than 850. A&L said 550 staff would be affected by the closures, of whom about 140 would be redeployed. The move to streamline its presence and cut costs is certain to intensify speculation that A&L is preparing the way to become a bank. Building societies are mutually owned savings and loans institutions.

Alison Smith

## Company to buy 1,000 buses

Stagecoach, the acquisitive Scotland-based group which has grown into Britain's largest bus company, has made what is thought to be the biggest single deal in the industry with an order for 1,000 new buses. The contract, worth £69m (£108m), is for a mixture of full-sized and smaller vehicles. The biggest single order is for German-built Mercedes minibus chassis, and £55m of the business will be placed with UK companies. Mr Brian Souter, Stagecoach's executive chairman, said the order would increase the company's fleet to about 7,500 vehicles. In spite of its size, Stagecoach accounts for only about 13 per cent of the UK bus sector. Mr Souter identified growth potential at home and in planned privatisation of bus services in mainland Europe.

Holly Simonian, Motor Industry Correspondent

## Army lacks recruits

The army is considering using the Gurkhas to fill in gaps in infantry units because too few young people are applying to join the armed forces. Infantry regiments are particularly short of young recruits, as low morale following cuts in the forces has deterred potential applicants. Of those who do apply, many are not fit enough for active service. As a result, the infantry is 1,200 below its target strength of 24,000 troops.

To fill the gaps the army is thinking of drafting in Gurkha units, which are recruited from Nepal and have a reputation for being exceptionally fierce fighters. Their trademarks include a very fast marching pace and the kukri: a 12-inch curved knife which honour dictates must be used once it is drawn. One proposal being considered is attaching a company of 150 Gurkhas to Britain in order to bring the Parachute Regiment closer to full strength.

Bernard Gray, Defence Correspondent

Pet hater: Two brothers were charged of wounding a breeder of pets because his mating hamsters were making too much noise. A court in the eastern England port of Hull heard that Mr Peter Evans and his brother Christopher had been annoyed by the noise made by the 28 hamsters. The prosecution alleged that the brothers, who were both drunk, attacked the animals' owner with a bicycle wheel and a knife. The judge dismissed the charge of wounding because there was insufficient evidence to say which of the brothers had used the knife.

## From the press this week . . .

A woman about to withdraw money from a TSB Bank cash machine heard a voice shouting for help through the slot. The branch manager was trapped in a strongroom behind the machine in Chesham to the north-west of London. The woman agreed to arrange for his release, but only after the manager had agreed to waive overdraft charges of £70 (£110). *The Sun, London*

A carpenter who found more than 1,000 ancient coins in a field with a metal detector has been awarded a £44,000 (£69,500) bounty by the British Museum. The money was paid even though the coins, found near Evesham in the English Midlands, were declared at an inquest to be state property. Many were well over 1,500 years old. *The Birmingham Post*

Sir Paul Condon, Commissioner of the Metropolitan Police Force which covers most of London, said in a television interview that he opposed routine arming of the police even though officers were more at risk than ever from violence. "I have no doubt that we will be arming more police officers as time goes by, but in a controlled way, in a way that they are specially selected, specially trained, are monitored and can handle the situation." *Evening Standard, London*

## Lucas Aerospace Questions remain over role in a shrinking industry

### 'You need to be big in the US'

By Michael Skapinker,  
Aerospace Correspondent

Lucas Industries has spent much of this week denying that its aerospace division was up for sale. Many in the industry refused to believe this. If the aerospace division was not for sale now, they said, it would be eventually.

At its annual results presentation, Lucas announced that the aerospace division had contributed only 17 per cent to total sales of £2,930m (£4,600m). It also said Mr Frank Turner, the division's managing director, was leaving.

But the strongest prompt for rumours of a sale appeared to come from statements by Mr George Simpson, chief executive, who said: "We will have to look and see if we can support all the activities we are in." He added: "If you're going to be big in aerospace, you need to be big in the US and you need to be big in defence."

While Lucas insisted it was wrong to conclude from this that it would sell its aerospace division, Mr Simpson's central contention won support from analysts and industry managers: you have to be big to survive in aerospace industry and you need to win US defence contracts.

There are exceptions. If an aerospace company is not large, it needs to be specialised. There appears little room for medium-sized companies with several activities.

The difficulty of surviving in the aerospace industry arises

from the reluctance of many civil carriers to order new aircraft in spite of improved airline profitability.

An added pressure is intense competition, which is depressing selling prices. There is competition between three large engine manufacturers (General Electric and Pratt & Whitney of the US and Rolls-Royce of the UK) and two aircraft makers (Boeing of the US and Airbus Industrie, the European consortium).

Problems on the defence side arise from falling military expenditure worldwide and the resulting consolidation of arms manufacturers, as shown by the merger earlier this year of two US groups, Lockheed and Martin Marietta.

Several UK groups have expanded their US defence activities on the grounds that, in a contracting international arms industry, it remains by far the biggest market. Last year, 60 per cent of Smiths Industries' aerospace turnover came from the US.

Rolls-Royce this year completed the purchase of Allison Engine of the US as a means of increasing its ability to compete for defence contracts there. Mr John Rose, managing director of Rolls-Royce's aerospace activities, says the purchase gives his group better access to US government-funded projects.

Mr Rose says there are technological advantages to being involved in the US defence market. Many US military projects use advanced technology

for which contractors can then find civil applications.

British Aerospace is one UK company which appears to have succeeded by concentrating on Europe rather than the US. In 1994, only £337m of the group's £7.2bn sales came from north America. BAe has a 20 per cent stake in Airbus, for which it makes wings and other components.

Mr Peter Deighton, an analyst at Smith New Court, says it is difficult for companies to rely on Europe for success if they do not have this level of

prominence in Airbus.

Many UK companies have found it difficult to become subcontractors to the larger Airbus partners. "If you're not a primary shareholder it's hard, because the politics get in the way," says Mr Deighton. Lucas says that, far from selling its aerospace division, it might, in a few years, make an acquisition. If it does not, analysts believe Lucas will fall into the category of companies that are too small to compete and too large to be niche specialists.

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# Statoil set to launch Aran bid

By Tim Burt

Statoil, the Norwegian state oil company, is expected to announce an offer for Aran Energy, trumping a hostile £182m bid by Atlantic Richfield of the US.

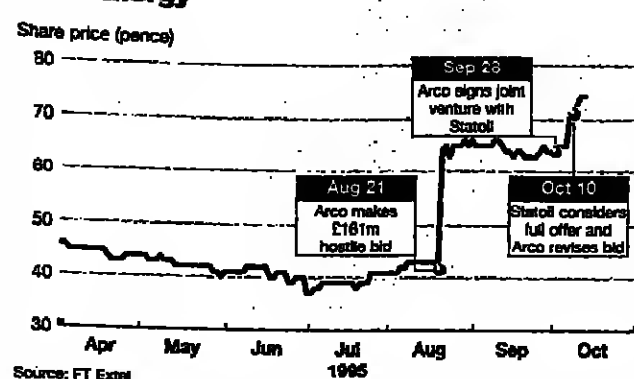
The Scandinavian group, advised by Chase Investment Bank, is thought to be considering a cash offer valuing Dublin-based Aran at around £206m-£220m.

Senior Statoil officials were discussing the terms with their financial advisers in London yesterday, before seeking board approval. It is expected to put the offer to Aran once it has been at a board meeting in Stavanger on Monday.

Earlier this week, Statoil - which has bank deposits and other liquid assets of more than NKS5bn (£502m) - confirmed it was considering a "full cash offer" as part of its strategy to expand internationally.

Although it has been touted as a possible white knight, it

## Aran Energy



Source: FT Data

remained unclear whether its offer would be made as part of an agreed takeover.

Aran said it had not been approached by Statoil since it announced its interest on Monday.

Industry analysts predicted Statoil would offer between 75p and 80p a share for Aran, including a significant premium for its unexploited reserves in the Schiehallion

field off the Shetland Islands and the exploration acreage in the Atlantic margin.

Such an offer would be 15 per cent above Arco's bid, which was increased from 61.4p a share to 68.4p earlier this week.

Mr Terry Dallas, corporate treasurer at Arco, said: "Aran, by recently releasing technical data to Statoil and Arco, has now set up an auc-

tion process where two technically sophisticated companies can come to a decision on the fair value for Aran."

"We now have to wait and see what Statoil decides to do." He also called on Aran shareholders to block a proposed joint venture between Statoil and the Irish group to exploit the Connemara field, west of Ireland.

The US group branded the joint venture in the Connemara field as a "blatant attempt to frustrate" its bid.

Aran, however, has defended the venture and urged shareholders to reject the Arco offer, which it described as inadequate.

Mr Michael Whelan, chairman, has written to investors saying: "Arco's comments on the Aran/Statoil agreement are spurious and self-serving and are irreconcilable with the views [it] previously expressed."

Aran's shares were unchanged yesterday at 76p.

## Scholl questions rebels' sale plans

By David Blackwell

Scholl said yesterday that it was "abundantly clear" that rebel shareholders seeking the sale of the healthcare products group had "received no approaches of substance".

The group also said that Mr Julian Treger and Mr Brian Myerson of Active Value Advisers, who are seeking to join the board at an extraordinary meeting, had "further demonstrated their unsuitability as non-executive directors".

Scholl's attack followed close on the heels of the rebels' second statement of the week to the Stock Exchange on the nature of possible bidders. The Takeover Panel sought clarification after Mr Treger said at the beginning of the week that there had been approaches from four parties.

On Wednesday the rebels said that they had received a direct approach from a private French pharmaceutical group, and three others from financial intermediaries. Scholl shares closed at a high for the year of 244p on Thursday.

Yesterday the rebels said the approaches "were highly preliminary" and confirmed that they were "not currently in active negotiations relating to Scholl". The shares shed 12p to close at 232p, unchanged on the week.

After talks with Active Value and J.O. Hambro, which hold 15 per cent of Scholl, the Takeover Panel has decided not to declare Scholl in an offer period, yesterday's statement said.

At the EGM on October 24 the rebels will seek to replace three non-executive directors - Mr Tom Long, Mr Tim Howden and Mr Colin Keith.

The board wrote to shareholders last week attacking the attempt to force a sale to a "misconceived, damaging and disruptive".

## Glencrowton moves into pub operating

Glencrowton, the import and distribution group, is branching into pub operating through the purchase of a 16-strong chain in the home counties in a £6.5m deal.

In May when it sold its Dekertoy's offshoot, the company said it would concentrate on its core businesses side. Mr Matt McBride, chief executive, yesterday explained the seemingly tangential move as fitting its "acquisition criteria".

The purchase, Country Style Inns, has a bias towards food rather than drink sales. "We believe this is the fastest growing sector of the public house trade," Mr McBride said. He described the chain, founded in 1989 by two former Whitbread employees Mr Ian Glynn and Mr James Campbell, as an established business "with a number of outlets that have yet to reach maturity".

Initial consideration is £2.35m in cash and shares and the repayment of £3.6m in borrowings. Mr Glynn and Mr Campbell have been offered new service agreements.

In the year to February 26, Country Style doubled turnover to £6.2m but incurred pre-tax losses of £695,000 after a £470,000 asset write-off.

## Colorvision could lose consumer credit licences

By David Blackwell

The Office of Fair Trading yesterday threatened to take away the consumer credit licences of Colorvision, the Liverpool-based television and video retailer.

The shares fell 15 per cent after the OFT issued a notice that it was "minded to revoke" the licences following customer complaints. The group, which makes up in half its sales under credit arrangements, has 21 days to convince the OFT of its fitness to keep them.

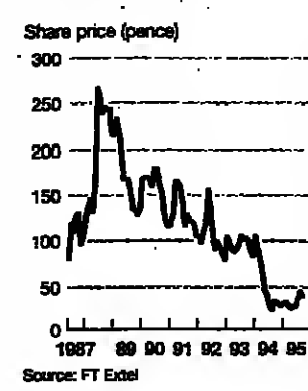
Mr Alan Tinger, group managing director, described the notice as a "bolt from the blue".

"We are absolutely shocked," he said yesterday. "We shall be putting a very, very robust presentation to them on this. We have a strong case to retain the licences."

The shares closed down 7p at 40p - far below the 250p reached in 1993. The group was then one of the darlings of the USM and was famed for its company song - "Lizzy Whizzy let's get busy."

Since then the recession and

## Colorvision



Source: FT Data

competitive pressures in electrical retailing have taken their toll. Pre-tax profits fell from a peak of £3.6m in 1989-90 to £203,000 in 1993-94 before recovering to £1.06m last year on sales of £72.5m.

There are more than 370,000 licences in issue in the UK and the OFT issued 100 "minded to revoke" notices last year. It described the decision to issue the notice as "a fairly serious matter", but pointed out that a notice did not automatically lead to the revocation of a licence.

Of the customer complaints cited in the Colorvision notice, 30 were made to local trading standards officers between November 1989 and November 1993. Another 13 were made last year, and the group was convicted in 12 trading standards cases between May 1989 and July this year.

Mr Tinger said that the convictions related to misleading newspaper advertisements, and the biggest fine was £4,000 in 1992. The law was specific on the relative size of type for prices, APRs and other costs.

The number of cases reflected the company culture, under which managers took a stake in their shops. Instead of advertising in a single national newspaper, the group had taken ads through its branches in hundreds of different local newspapers.

He was astonished at the action of the OFT, which had renewed the consumer credit licences for five years from September 1993. "We have developed our procedures, training and manuals since then, and we would have expected the OFT to contact us if there was any problem."

## NW Water shareholders approve bid for Norweb

By Matt Finnegan

Shareholders in North West Water yesterday approved the company's bid for Norweb, the regional electricity company, at an EGM in Manchester.

Fewer than 500 of North West's 95,000 shareholders attended to vote overwhelmingly in favour of the takeover, the two-stage rights issue and the new name for the merged company, United Utilities.

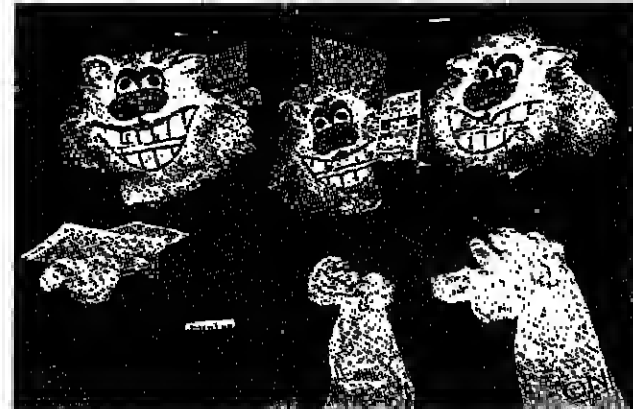
The company's revised bid of £1.83m, or £11.70 a share, will now be put in detail to shareholders in a postal ballot.

Some shareholders protested about the price and questioned whether savings, which analysts estimate at up to £50m a year, could be made by merging the two companies.

Mr Trevor Bennett said: "I stand to make a hell of a profit, but I think the price is too high."

Mr Chris Green said he feared consumers would suffer from the creation of a giant monopoly and that more defaulters would be cut off.

Mr Brian Staples, North West's chief executive, admitted



Members of Unison, the public service union, donned 'fat cat' costumes outside the meeting to highlight their 'claws for concern' about the takeover, which they claim will cost 5,000 jobs.

ted that the takeover, which Norweb is recommending, would involve job losses and "significant rationalisations".

He said a merged company would need only one headquarters and savings would be made in support services, the number of depots and area offices, property and transport. However, he added the new facilities management subsidiary would have turnover of

more than £200m, create new jobs and result in lower bills for water and electricity customers from 2000 onwards.

He said: "The merger of North West Water and Norweb will create a new flagship company for the north-west of England. The new company will also win new business both at home and overseas, creating new jobs in the process."

## Country Casuals attacks Ciro's 'paltry' offer

Country Casuals, the women's wear manufacturer, yesterday stepped up its campaign against a £28.2m bid led by Mr John Shannon, its former chairman and chief executive. The group said the 140p a share offer from by Ciro Holdings, the shell company controlled by Mr Shannon, failed to reflect its real value and potential. Mr Tom Adams, chairman, said: "Mr Shannon's paltry offer is depriving shareholders of value which is rightly theirs."

Ciro's offer compares with the closing price of 115p on October 4, the day before Country Casuals announced that it might be the subject of an offer.

## Shoprite offers limited preference repayment

By Christopher Price

Shoprite Group, the loss-making sale of Man, retail and property company, yesterday proposed to pay preference shareholders only two thirds of the redeemable value for the early surrender of their shares.

Preference holders of the Shoprite Finance subsidiary, whose £1 investments mature in 2008, had insisted on a redemption date of December 31 1995 as part of the agreement to sell Shoprite's Scottish discount stores to Kwik Save last year. The sale had been forced on the group following poor results.

The offer of 67p per share, or 70.94p with an accrued final dividend, partly reverses a warning made by the company in June that it would be unable to honour its pledge to redeem the £15m of preference shares in full by the year end.

Shoprite said it had made "every endeavour" to fulfil its obligations, but had been

unable either to raise sufficient funds through asset sales or to persuade bankers to lend the full amount. However, a smaller bank loan, the remainder of the proceeds from the Kwik Save sale and some small disposals had enabled the company to raise the £10m required should all preference holders opt to take the offer.

Pre-tax losses at the company, with interests including eight supermarkets and a car dealership on the Isle of Man, fell from £687,000 to £356,000 for the six months to July 2. Turnover dipped slightly to £13.5m. Losses per share were 0.87p (1.15p). Shareholders funds dropped from £37.3m to £8.54m.

Shoprite said that trading would continue to be subdued, with a Marks and Spencer store due to open shortly likely to have an adverse effect. ECOMs for both the preference holders of Shoprite Finance and the ordinary shareholders are to be held shortly.

## Options take Hollinger's Telegraph stake to 63%

By Christopher Price

Hollinger, the Canadian investment vehicle of Mr Conrad Black, yesterday exercised options to buy more than 5 per cent of The Telegraph, publisher of the Daily and Sunday Telegraph newspapers and Spectator magazine, taking its stake to 63.33 per cent.

The 450p option price was at a 13p premium to yesterday's 437p close. The shares were bought from trusts owned by the Berry family.

Mr Daniel Colson, deputy chairman and chief executive of the Telegraph and deputy chairman of Hollinger, said this did not preclude a fresh offer for the remaining Telegraph shares by Hollinger.

In February, Mr Black offered to buy back the shares not owned by Hollinger, but was unable to agree a price with the Telegraph directors representing the minority shareholders. Knowledge of the 450p option price created a floor for the negotiations.

## Monarch shares fall 17p as drilling disappoints

By Christopher Price

Shares in Monarch Resources fell 17p to 56p yesterday after it reported disappointing drilling results from one of its key gold mines in Venezuela.

It said that estimated reserves at La Camorra - the first private underground gold mine to be developed in Venezuela in several decades - could be reduced by between 15 and 20 per cent. However, Mr Eric Van Heyst, a vice president of the company, stressed

that findings were preliminary. "There is a potential loss involved here, that's all," he said. "Additional drilling has been promising so far so it may not turn out too badly."

La Camorra has reserves estimated at 553,400 ounces of gold. Mr Van Heyst said the revision could reduce this figure by as much as 20,000. The company also warned that production problems at the mine had led to output below expectations during the third quarter.

## Management buy-in at AAH arm

AAH, the pharmaceutical wholesaler taken over in May by Gehe of Germany in a £400m contested bid, has sold its AAH Environmental Services to Serviceteam, a management buy-in vehicle, writes Martin Price.

Serviceteam is led by Mr Peter Hodgson, a non-executive chairman of HAT Property Services and Mr Mushtaq Malik, former director of the Lewisham local authority's direct service organisation.

The deal involves £32m of financing which was arranged by 3i, the investment capital group, and ECI, the independent private equity investor. The sum included "a substantial amount of expansion capital," according to Mr Paul Marson-Smith of 3i.

The company's main operation, the contract services division, employs 2,500 and operates in refuse collection, grounds maintenance and sweeping.

Mr Marson-Smith said AAH Environmental had about 125 existing contracts and since the deal was completed at 3am on Thursday had tendered for

## NEWS DIGEST

several more. It turned over about £70m a year and the management hoped to float it within five years.

## Carlton views India

Carlton Communications, the media group, is investigating the possibility of launching a satellite television channel in India which would be devoted to Indian films and entertainment, writes Raymond Snoddy.

Carlton executive Mr Robin Paxton, a former head of factual programming at London Weekend Television, has been sent to India. His brief is to get to know the local television market and to try to find possible partners to launch a channel.

Carlton has for some time been looking at Asia as a possible market. India has attracted media groups because of the size and spending power of the middle class, the rapid development of satellite television and moves towards liberalisation on foreign investment.

## Auto Security

Automated Security (Holdings), the electronic security group, yesterday announced a 53 per cent fall in pre-tax profits, from £2.59m to £1.25m, for the three months to August 31.

There is no dividend on the ordinary shares and the company said "it would not be prudent" to pay the dividend on the 6 per cent preference, due on November 30.

Turnover was static at £40.6m. Earnings per share fell from 1.3p to 0.5p.

LAIT lower Interim pre-tax profits at London & Associated Investment Trust, the retail property investment company, fell from £865,000 to £203,000.

The company said most of the fall was the result of an accounting standard which requires a provision for rent in its new offices although it was enjoying a rent-free period.

Gross income for the six months to June 30 rose from £2.54m to £2.83m, with £2.53m (£2.33m) from property and £200,000 (£208,000) from listed investments.

Earnings per share were 0.8p (0.74p) and the interim dividend is maintained at 0.05p.

● Bisibhi Mining, the property and mining finance company in which LAIT has a 42 per cent holding, reported interim pre-tax profits lower than £55,000, against £193,000 which included an exceptional credit of £141,000.

Gross income was £279,000 (£265,000). Earnings per share were 0.39p (1.72p).

The Financial Times plans to publish a survey on

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## COMPANIES AND FINANCE

## INTERNATIONAL NEWS DIGEST

## French insurance group sales decline

Caisse Nationale de Prevoyance, the French insurance group scheduled for privatisation, yesterday reported stagnant turnover figures for the first half of the year in a sign that the rapid growth in the country's life insurance market may be under threat.

The group reported sales of FF39.56bn (\$7.95bn), largely derived from the sale of life insurance policies, down slightly from the level of FF39.60bn achieved in the first half last year.

Mr Pierre Darnis, chairman, warned that a decline across the life insurance sector was a "relative novelty", and predicted that after years of double-digit expansion, growth in revenues was likely to be below 10 per cent a year.

The trend is significant because a number of the diversified French insurance groups and a growing number of banks and other financial institutions have been relying on profits from life insurance sales as their other business divisions have suffered.

He added that other factors had also contributed to the stagnation of CNP's revenues from life assurance, including increased competition.

The group also experienced a loss in sales from the Post Office, which previously only sold CNP products, but from May introduced a rival product.

Sales through the Post Office declined 12 per cent to FF14.8bn, and through the Treasury by 7 per cent to FF2.8bn. They rose 12 per cent through the Caisse d'Epargne banking network to FF14.2bn.

Mr Darnis said that, across the industry, life assurance sales had risen 2.8 per cent in the first half to FF228bn.

CNP's net income rose to FF711m from FF692m in spite of the decline in premiums, largely as a result of a rise in returns generated from funds invested, up from FF8.6bn to FF11.4bn.

Mr Darnis also said CNP needed to have an increase in its share capital of FF3bn at the time of its eventual privatisation in order to be well supported and meet regulatory solvency requirements.

Andrew Jack, Paris

## ASX queries Coles Myer restructure announcement

The Australian Stock Exchange yesterday expressed concern that Coles Myer, Australia's biggest retailer and the focus of institutional corporate governance concerns, may not have disclosed information about a big corporate restructuring plan "as quickly as required under the listing rules".

In particular, the ASX said it was concerned the company did not seek a trading halt ahead of the announcement's release, in spite of an ASX recommendation that it do so if news were pending. In the announcement, Coles flagged plans to split the group into a number of separately quoted entities, although it said this would take about a year to achieve.

In reply, Coles said that it had made the announcement within minutes of the conclusion of the board meeting, at which the plan was finalised.

The fracas is the latest in a line of woes for the Coles board. Institutions are pressing for the appointment of an independent non-executive chairman and a number of new non-executive directors.

On Thursday the Myer family, which owns an 8 per cent stake in Coles, indicated it would back the institutions' stance. Yesterday, the Coles family did likewise, saying that G. J. Coles - one of the two retailing groups which merged in 1986 to form Coles Myer - had been a company of high ethical standards and that these "must be restored" if Coles was to have any hope of unlocking its value.

Nicki Turk, Sydney

## Meetings on Gemina merger deal advanced

By Andrew Hill in Milan

Directors of the seven Italian companies involved in the controversial plan to merge Gemina, the investment company, and Ferruzzi Finanziaria (Ferfin), the holding company, were last night set to hold board meetings to discuss the deal.

The unexpected news of the meetings led to intense speculation that Gemina was poised to announce a management reshuffle, or even a corporate restructuring, to offset the impact of judicial investigations on the planned merger.

One possibility said to be under consideration was a demerger of RCS, Gemina's publishing and media subsidiary, which is at the centre of the investigation into alleged falsification of accounts.

Banks and small shareholders have suggested, however, that Gemina, which is controlled by Italy's largest companies, should postpone or cancel the planned deal.

A week ago, magistrates announced that 10 executives and former executives of Gemina and its subsidiaries were under investigation following heavy losses at RCS, 93 per cent of which is owned by Gemina. The RCS board is set to meet next Tuesday to discuss the financial and trading situation.

Analysts suggested yesterday that the group could announce the replacement of three of those under investigation - Mr Giampaolo Pesenti, Gemina chairman, Mr Francesco Paolo Mattioli, the deputy chairman, and Mr Felice Vitali, managing director - and the appointment of an outsider in the new post of chief executive.

Apart from Gemina and Ferfin, board meetings were called by Montedison, the industrial company controlled by Ferfin, and by the four Fiat-controlled chemicals and bio-engineering companies, which the carmaker intends to transfer to the new merged group. The companies had previously indicated that their directors would meet next week to discuss the terms of the merger.

## Lykes Bros forced to file for Chapter 11

By Charles Batchelor, Transport Correspondent

Lykes Bros Steamship, one of the oldest names in the US shipping industry, has filed for Chapter 11, a section of the US insolvency laws which gives it protection from its creditors and allows it to continue trading.

The privately owned company based in Tampa, Florida, blamed its difficulties on the debts it had incurred on an order for six Japanese-built container vessels and restrictive US government reg-

ulation of the shipping industry.

Lykes, one of the few US-owned shipping companies involved in the international container business, operates regular "liner" services between the US and north-west Europe, the Mediterranean and Africa.

The revelation that it was seeking court protection was accompanied by the announcement of an agreement with Forum Maritime, a Greek shipping company, for Forum to provide a \$10m line of credit as working capital while Lykes

reorganised its activities. Lykes said: "The company's core operations remain very strong and are not the cause of the financial problems. The company will continue to service its existing customers. The line of credit should be more than ample to cover any possible shortfall in cashflow."

Lykes said it had assets of \$229.7m against liabilities of \$201.7m but its problem was one of cash flow and it was not unusual for a company to file for Chapter 11 in these circumstances.

The company has been

streamlining its activities over the past two years, reducing staff and investing in technology. Its problems stem from a yen-denominated debt incurred in 1984 when it ordered six vessels from a Japanese yard. The purchase cost, the need to pay penalties when two of the vessels were cancelled and the depreciation of the dollar against the yen were "too great a burden under current market conditions".

It also blamed "governmental restrictions that burden American-flagged vessels and restrict the commercial flexi-

bility of US subsidised carriers". It had had to apply for permission to enter a joint venture with a Taiwanese shipping group because it would have been competing with other US-flagged shipping lines. The result was that it had to reveal its plans to its competitors.

Also, military shipments, reserved for US vessels under government regulations, had declined while subsidies to meet the extra costs of building in the US had been withdrawn. Operating subsidies were due to end in 1987.

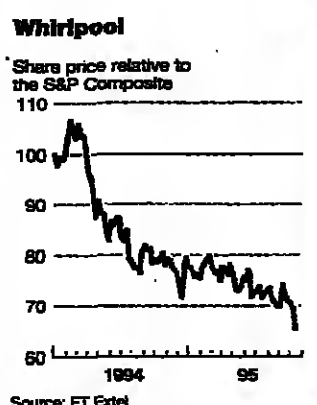
## European competition hurts Whirlpool

By Tony Jackson in New York

Sharply increased competition in Europe depressed third-quarter earnings at Whirlpool, the world's largest manufacturer of white goods. Earnings for the quarter were down 23 per cent compared with the year-ago period, before special items, at \$64m, on sales up 3 per cent at \$2.2bn.

Whirlpool reported recovery in the US market, where a fall in volume in the second quarter gave way to a 3 per cent rise in the third. US operating margins were sharply higher than in the second quarter, as a continued rise in raw material costs was offset by better volume and lower selling and administrative costs.

In Europe, profits halved in spite of unchanged sales volume. The company said this was due to rising raw material



Source: FT Index



Chairman David Whitman

costs, fierce competition and a shift by consumers to cheaper brands and models. This represents a setback from the second quarter, when weakness in North America was partly offset by better European profits. The company said it would

continue its aggressive programme of product re-design in Europe, aimed at lowering costs and raising quality. It said that by next year 60 per cent of its European sales would consist of models which did not exist two years ago.

Profits from Latin America were down "moderately" in the quarter, on reduced sales in Argentina, Colombia, Paraguay and Venezuela.

There was an operating loss in Asia, where Whirlpool has been expanding aggressively. This was due partly to planned spending on expansion, but there was also a substantial drop in volume in Hong Kong.

Whirlpool said there were signs that the increase in raw material costs was finally moderating. Mr David Whitman, chairman, said the company was ahead of schedule in its restructuring in North America and Europe, and this would significantly improve operating efficiency from next year.

Whirlpool's shares, which had been weak in recent weeks in expectation of poor results, were down 5% at \$54 in early trading yesterday.

## Sybase falls sharply in third term

By Louise Kehoe in San Francisco

Sybase, the US software developer, reported a sharp drop in third-quarter earnings but said it was on track to launch a new version of its main data base management product.

Net income for the third quarter was \$1.1m, or 2 cents a share, down from \$2.5m, or 31 cents, in the same period last year. The results were well below Wall Street projections of 13-15 cents a share.

Revenue growth was also below expectations, rising 7 per cent to \$233.1m from \$217.5m in the third quarter last year.

Sybase has been losing ground to competitors including Oracle Systems and Informix because its database program, SQL Server, does not run on the latest generation of powerful computers.

Mr Mark Hoffman, chairman and chief executive, said initial testing of a new version, SQL Server 11, began in August. Earlier this month Sybase published an independent rating of its new software showing record performance on Sun Microsystems computers.

For the first nine months of 1995, revenues were \$689.5m, up from \$570.5m in the same period last year. Year-to-date net losses, after charges, were \$35.5m, or 36 cents a share, against net income of \$54.5m, or 74 cents, in the first nine months of 1994.

## RJ Reynolds cuts jobs as market share falls

By Tony Jackson in New York

R. J. Reynolds, the US tobacco division of RJR Nabisco, is to cut 500 jobs from its US workforce, including 150 from its cigarette plant in Winston-Salem, North Carolina.

It will cut a further 75 jobs in moving its international headquarters from Winston-Salem to Geneva, Switzerland. There will be a \$160m charge against earnings in the fourth quarter, and the company said it expected net savings of \$150m a year.

The US job cuts represent 5 per cent of R. J. Reynolds's

9,500 workforce. The company said output at the Winston-Salem plant, which supplies the entire US market, would be broadly unchanged.

The company, which has lost US market share recently, said it would re-deploy its US resources behind sales and marketing. Its larger US rival Philip Morris, which claims to have gained share, said recently it would raise capacity at its plant in Concord, North Carolina, by around 30 per cent and increase its workforce.

RJR's international headquarters at Winston-Salem employs 160. Of those, 65 will

be transferred to Geneva, where RJR already has regional offices for west and east Europe, the Middle East, Africa and the Americas excluding the US. This represents 85 per cent of its international business.

Coca-Cola Enterprises has signed a letter of intent to acquire Ouachita Coca-Cola Bottling for \$313m, which includes acquired debt, agencies report from Atlanta and Lyon, France.

The price will be paid in cash and Coca-Cola Enterprises stock, subject to Ouachita shareholders' acceptance.

Ouachita operates in parts of Louisiana, Mississippi and Arkansas. Net 1994 revenues were \$155m.

In France, the regional general manager of Coca-Cola Co unit Coca-Cola Beverages was fined FF20,000 (\$4,040) for "deception" after an inspection found that Coca-Cola in a drinks fountain did not comply with regulations.

A spot check by the regional health department found the beverage in the fountain contained an abnormally high level of the E338 preservative, which is corrosive in high doses.

## Rhino to raise £9m via rights as losses hit £6.7m

By Motoko Fitch

Rhino Group, the loss-making UK computer and video games retailer, yesterday launched its second rights issue this year as it unveiled interim pre-tax losses widened from £1.57m to £6.68m.

The group, which launched a £3.7m rescue rights issue in February, announced that it would be raising £9m through a 5-for-6 issue of 117m shares at 8p each.

The shares eased 1½p to close at 11p.

Rhino also announced a new strategic plan. Electronics Boutique, the US-based video game and software retailer which acquired a 25 per cent stake in Rhino through a tender offer in

April, has taken effective management control. It plans to replace Future Zone, Rhino's retail brand name, with the Electronics Boutique logo, broaden the product sales mix, and invest in staff training. Rhino said its purchasing power would help it implement a low-pricing policy.

Electronics Boutique, which is underwriting the rights issue, said it would dispose of any shares which took it over a 30 per cent stake through Henderson Crosthwaite, broker to Rhino.

The group's turnover in the six months to June 30 rose to £18.3m (£17.5m), but like-for-like sales were down by about 25 per cent because of a sharp downturn in the European car-

tridge video games market. In 1994, it was operating 77 stores; in 1995 that figure had risen to 112.

The group took an exceptional stock write-down of £1m and a £600,000 reorganisation charge. This included redundancy payments to three executive directors - among them Mr Bev Ripley, former chairman, and Mr Terry Norris, managing director - who left the board in May.

Mr Richard Beecham, the acting chairman who steps down following the rights issue, will be replaced by Mr Joe Firestone, president and chief executive of Electronics Boutique.

Losses per share widened to 5.51p (1.37p).

## S&amp;P may lower Lloyds' rating

By Antonia Sharpe

Standard & Poor's, the international credit rating agency, may lower the ratings which it has assigned to the short-term debt of Lloyds Bank following its decision to merge with TSB Bank. However, S&P may raise TSB's short and long-term ratings.

Lloyds' short-term counterparty rating, which is necessary to tap the commercial paper market, is currently A-1. TSB's long-term rating is A-1 plus and its short-term rating is A-1. The ratings of the two banks will be equalised upon completion.

S&P said although the strategic rationale was sound, the transaction had negative implications for the value of the enlarged group. It referred in particular to the distribution of about £1bn of reserves in the form of a special dividend to TSB's shareholders.

S&P said the merger closely followed Lloyds' acquisition of Cheltenham & Gloucester which weakened its capital base. "The proposed merger with TSB will put further strain on the bank's capital base," S&P said.

The agency added that the new group would have difficulty in making cost savings in excess of the £350m a year by 1999 identified by management because both institutions were already among the most efficient of UK retail banks.

## Danka purchase

Danka Business Systems has acquired Kemco, a photocopier distributor based in Mainz for \$3.87m (£2.2m), satisfied with the issue of 387,088 shares.

## VW helps Skoda turn the corner

A new model points the way to a better future for the carmaker

After years of jibes about appalling quality and reliability, Skoda, the Czech car manufacturer majority-owned by Volkswagen of Germany, may have turned the corner.

A study by JD Power, the US automotive consultancy, ranked Skoda sixth in terms of customer satisfaction in the UK this year - well ahead of more prestigious German and Japanese marques.

Even the proudest engineer at Skoda, celebrating its 100th anniversary this year, would not claim to be building Europe's best car. However, most would toast the immense improvements since VW took a 31 per cent stake in the state-owned group in 1991. Since then, the German share has increased to 60 per cent and will reach 70 per cent by the end of the year, with the rest remaining state-owned.

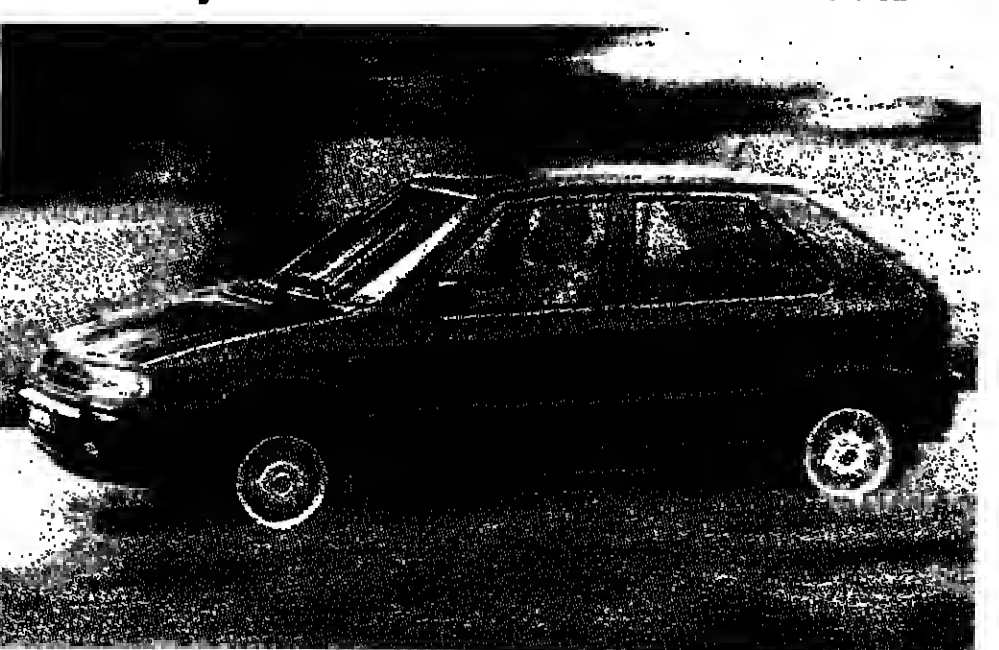
Skoda's latest Felicia model, introduced as a hatchback in 1994 and as an estate car this month, is a quantum leap from its predecessors. So controversial was the former Estelle Skoda's sales and marketing organisations warned it was a safety risk.

The Felicia, a revised version of the Favorit which replaced the ill-fated Estelle, is light years ahead. Although hardly eye-catching or particularly subtle, it combines space, toughness and flexibility at a low price. The cheapest Felicia costs just £22,000 (£8,360) in its home market.

Developed after VW bought into Skoda, the Felicia reflects the German input. Mr Gerald Weber, Skoda's head of research and development, says almost all the 700 engineers at Skoda's development centre are Czechs. A decisive minority, however, led by Mr Weber, are VW imports. Many complex engineering procedures have been handed at VW's German base in Wolfsburg.

The relationship between the two companies will become closer when Skoda launches a new, slightly bigger car in late 1996. The as yet unnamed vehicle, to be built in an innovative new plant, represents the biggest part of the gamble taken by VW when it bought into the Czech company.

VW paid almost DM1bn (£700m) for Skoda's equity and will have forked out DM3bn more in product development and new equipment by the end



Skoda's new Felicia: a quantum leap from its predecessors

SKODA SALES AND OUTPUT		
	Volume (units)	Sales (DM bn)
1991	172,000	0.6
1992	200,000	1.88
1993	220,000	1.98
1994	174,000	1.78
1995*	200,000	2.28

\*Estimated Source: Skoda

of the century. Although the spending was less than promised, sparking a bitter row with the Prague government, it is still a lot for a company, such as VW, struggling to cut spending.

Matters were not helped by Skoda's heavy losses: the group lost K64.26bn in 1993 and K23.37bn in 1994. Although its results are improving, the company remains in the red. And senior VW executives note that, while Skoda's products have improved, its finance and marketing skills still lag behind other members of the VW group.

"We expect to move into profit within the next two years," says Mr Deller Wittig, a VW manager who heads Skoda's sales and marketing. Production is rising after dropping sharply in 1994 because of a three-month halt while the Favorit was being replaced by the Felicia. Annual output should climb to 200,000 units this year.

Skoda's allure for VW is clear. Labour in the Czech Republic, including social ser-

vice payments, costs one-tenth of that in Germany. Absenteeism and paid holidays are low, while the workforce is disciplined and has been reared on an engineering tradition that VW would have been unable to find elsewhere in eastern Europe.

But Skoda's strongest suit for VW is its franchise in central and eastern Europe. The Czech Republic is strategically placed between the big markets of western Europe and new customers in the east. Skoda is being groomed to be VW's spearhead into the east, where car demand remains contained but is poised to explode as private incomes rise.

VW needed a low-cost brand to lead its east European ambitions and compete with the fast-growing far-east manufacturers such as Hyundai and Daewoo. Cars from western Europe - even from VW's relatively low-cost Seat brand in most east European markets, Skoda's costs are appreciably cheaper than Seat's, while its name is better known in eastern Europe and the former Soviet Union.

Mr Volkhard Köhler, Skoda deputy chairman and the third VW executive on Skoda's five-member board, says its cars are also tailored to east Europe's needs.

The Felicia, to be complemented by a van and a pick-up, is compact but big enough to carry a family. The interior

design is sufficiently flexible for private or business use, while the suspension is tuned for the cratered roads of eastern Europe.

To overcome the high tariffs which are a big barrier to car imports in most of eastern Europe, Skoda is planning to diversify its assembly operations.

About 8,000 cars should be built at a VW facility at Poznan in Poland this year, while plans for a similar "screw-driver" unit in Russia are well advanced. Future prospects include the possibility of other screwdriver operations in Egypt, Vietnam and even China.

But Skoda will not forget the west. Sales will eventually be split almost equally between the domestic market, eastern Europe and the west. Germany is already its second biggest market (although about two-thirds of its 24,000 customers were in the former communist east). The UK, Skoda's third most important market, took almost 11,000 units last year, while France and Italy followed with 8,000 each.

All are expected to rise substantially when the new model arrives. By then, jokes about heated rear windows (to warn the hands of drivers pushing broken down cars) or what do you call a Skoda at the top of a hill (a miracle) may not have altogether vanished, but at least have growing passé.

Haig Simonian

## Exceptional charge hits Lionheart

An exceptional charge of £4.45m, hammered pre-tax results at Lionheart, the decorating tools and housewares group, widening the interim deficit from £241,000 to £6.68m.

Turnover in the six months to June 30 fell slightly to £18.7m (£19.9m). Operating losses were £1.71m, compared with £557,000 which included restructuring costs of £880,000.

The exceptional charge this time related to losses on the disposal in June of Sloane Group, and was after taking into account £5.1m of goodwill previously written off to reserves.

The group said the disposal "allowed for a substantial reduction in borrowings" and that interest payable - which almost doubled in the period under review - would fall accordingly in the second half.

## Bid for English National could change policy

By Nigel Clark

An offer is being made for English National Investment Trust, valuing it at £13.4m, which could result in its becoming a UK investment vehicle for Mr Joe Lewis.

Pan-Caribbean Investments, which is owned by Mr Lewis and controls 29.9 per cent of the voting rights in Enit, intends to acquire 65 per cent of the company as part of a reorganisation which will see a change in investment policy and a new board. Mr Lewis lives in the Bahamas. His companies own 16.97 per cent of Christie's International.

At present Enit concentrates on providing income. It is intended to change the emphasis to capital growth, and it may make acquisitions which could lead to a loss of trust status.

Mr Richard Smith, one of the retiring Enit board members, believed acquisitions would be the basis of the new company and Mr Daniel Levy, the new managing director, was a key figure. Mr Levy holds a number of directorships mainly in the clothing market.

The deferred and preferred stock will be converted into new ordinary shares. The offer values the preferred shares - which closed up 13p at 418p - at 397p, and deferred - up 10p at 333p - at 323p.

Enit reported net revenue of £130,000 (£326,000) for the half year to September 30, for earnings of 4.8p (10p) per preferred and 2.3p (7.6p) per deferred. The interim dividends are maintained at 5.4p per preferred and 2.86p per deferred.

Net asset value per preferred share was 402.2p (369.8p) and 327.2p (284.8p) per deferred.

## RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current dividend (p)	Date of payment	Dividends corresponding dividend	Total for year	Total last year
Automated Security	3 months to Aug 31	40.6 (40.4)	1.25 (2.58)	0.3 (1.3)	-	-	-	-
Blackhill Mining	6 months to June 30	0.279 (0.285)	0.055 (0.189)	0.39 (1.72)	-	-	-	0.71
Canary Ltd	6 months to June 30	12.7 (10.4)	2.39 (1.57)	0.07 (0.025)	-	-	-	-
LAT	6 months to June 30	2.84 (2.54)	0.533 (0.885)	0.1 (0.74)	0.05	Dec 29	0.05	0.58
Rhino	6 months to June 30	18.3 (17.5)	6.68 (1.57)	5.51 (1.27)	0.05	Dec 29	0.05	0.05
Shorpton	6 months to July 2	13.9 (103.6)	0.385 (0.887)	0.57 (1.15)	0.05	Dec 29	0.05	0.05
Investment Trusts								
	NAV (p)	Attributable earnings (p)	EPS (p)	Current dividend (p)	Date of payment	Corresponding dividend	Total for year	Total last year
English Nat prof	6 months to Sept 30	40.2 (35.8)	0.13 (0.226)	4.8 (10)	5.4	Dec 1	5.4	17.2
English Nat def	6 months to Sept 30	37.2 (29.8)	0.13 (0.226)	2.3 (7.8)	2.85	Dec 1	2.85	12.3

Dividends shown net. Earnings shown basic. Figures in brackets are for corresponding period. \*Comparatives for 6 months to September 30 1994. \*After exceptional credit.

مكتبة الزعيم



## COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS  
Lead price buoyant at the LME

The lead market stood alone in the limelight yesterday as the London Metal Exchange ended a generally lacklustre week. Speculative buying and short-covering against a background of tight physical supply and increased demand from the replacement car battery sector drove the three months delivery position to \$939.50 a tonne at the close, up \$33.50 on the day and about the same on the week. It had earlier reached \$945, leading dealers to consider the implications of a successful test of resistance at \$937.

**LME WAREHOUSE STOCKS**  
(No at Friday's close)  
Aluminium 275 to 285,825  
Aluminium alloy 140 to 175,300  
Copper 125 to 135,200  
Lead 1,250 to 1,300,200  
Nickel 1,825 to 1,925,175  
Zinc 1,115 to 1,165,175

If that was breached, some told the Reuters news agency, a move towards the 1995 high of \$715 a tonne could ensue. Dealers noted that concern about nearby physical tightness and a dearth of good quality metal in Europe and Asia was reflected in the establishment of premiums for early delivery dates, or "backwards", in the lead market. The cash premium over the three months price closed at \$5 a tonne. At Thursday's close there had been a cash discount, or "contango", of \$7.

"There is genuine tightness with a shortage of lead for battery makers in Europe," a trader told Reuters. The strength of the lead market was also encouraged yesterday by news of another fall in LME stocks of the metal. At \$204.25 tonnes the total is now 45 per cent below the peak reached a year ago. In addition there is concern about the virtual exhaustion of stocks of top quality, 99.99 per cent purity lead, which is forcing battery

makers to make do with lower purity metal, much of it of eastern European origin.

Demand for battery production, which accounts for about two thirds of world-wide lead consumption, traditionally rises with the approach of the northern hemisphere winter, but this year it has already been boosted by wet weather in many regions. Both hot and cold conditions reduced the life expectancy of industrial and automotive batteries, analysts told Reuters.

For the other LME metals this was a week to forget. Even a strike at Alcan Aluminium's Quebec smelters and an unexpected fall in producer stocks in August reported by the International Primary Aluminium Institute could not prevent a 5.7 per cent plunge in the three months delivery aluminium price.

The price closed yesterday at \$1,706.50 a tonne, \$33.50 above Wednesday's low but still \$68 down on the week.

Concern about the possibility of a strike at Alcan's Quebec smelters and an unexpected fall in producer stocks in August reported by the International Primary Aluminium Institute could not prevent a 5.7 per cent plunge in the three months delivery aluminium price.

Analysts pointed out that substantial aluminium smelting capacity was sidelined in compliance with the "memorandum of understanding" by leading producing countries early last year in an effort to reduce excessive stocks. So other producers would have little difficulty in covering the supply shortfall left by a protracted strike.

In any case, after a narrow overall majority of the striking workers voted in favour of accepting Alcan's latest pay and conditions offer in a secret ballot in midweek, a compromise settlement seemed on the cards.

"I think we are at a stage where we could arrive at a compromise," said Mr Jean-Marie Crevier, president of the union representing the 5,000 smelter, power station and transport workers, said in a radio interview.

Richard Mooney

## BASE METALS

## LONDON METAL EXCHANGE

(Prices from Anonymous Metal Trading)

ALUMINIUM, 99.7% PURITY (\$ per tonne)

Close 1671.5-2.5 1705-7

Previous 1665-2.5 1695-7

High/Low 1715/1700 1715/1700

AM Official 1705-4 1705-5

Kerb close 1705-5 1705-5

Open int. 217,848

Total daily turnover 63,587

ALUMINIUM ALLOY (\$ per tonne)

Close 1430-40 1475-5

Previous 1415-25 1465-75

High/Low 1475/1450 1475/1450

AM Official 1465-40 1465-40

Kerb close 1465-40 1465-40

Open int. 3,065

Total daily turnover 447

LEAD (\$ per tonne)

Close 944-5 939-40

Previous 908-00 905-7

High/Low 945-50 945-50

AM Official 945-50 945-50

Kerb close 945-50 945-50

Open int. 33,437

Total daily turnover 14,573

NICKEL (\$ per tonne)

Close 7835-45 7890-55

Previous 7775-55 7800-10

High/Low 7890/7850 7890/7850

AM Official 7890-55 7890-55

Kerb close 7890-55 7890-55

Open int. 48,574

Total daily turnover 8,158

TIN (\$ per tonne)

Close 8245-55 8305-10

Previous 8170-50 8230-40

High/Low 8305/8260 8305/8260

AM Official 8260-70 8260-70

Kerb close 8260-70 8260-70

Open int. 20,004

Total daily turnover 3,178

ZINC, special high grade (\$ per tonne)

Close 974-5 997-4

Previous 968-5-8 982-3

High/Low 997/985 997/985

AM Official 985-40 985-40

Kerb close 985-40 985-40

Open int. 82,441

Total daily turnover 19,498

COPPER, grade A (\$ per tonne)

Close 2820-25 2764-5

Previous 2827-25 2769-71

High/Low 2827/2815 2827/2815

AM Official 2769-71 2769-71

Kerb close 2769-71 2769-71

Open int. 174,029

Total daily turnover 77,120

LME AM Official 2/5 rate 1.5722

LME AM Official 2/5 rate 1.5722

Spec 1.5731 3 mths 1.5699 6 mths 1.5660 9 mths 1.5616

Spec 1.5731 3 mths 1.5699 6 mths 1.5660 9 mths 1.5616

HIGH GRADE COPPER (COMEX)

Close 2820-25 2764-5

Previous 2827-25 2769-71

High/Low 2827/2815 2827/2815

AM Official 2769-71 2769-71

Kerb close 2769-71 2769-71

Open int. 174,029

Total daily turnover 77,120

LME AM Official 2/5 rate 1.5722

LME AM Official 2/5 rate 1.5722

Spec 1.5731 3 mths 1.5699 6 mths 1.5660 9 mths 1.5616

Spec 1.5731 3 mths 1.5699 6 mths 1.5660 9 mths 1.5616

## Precious Metals continued

## GOLD COMEX (100 Troy oz; \$/troy oz)

Settle 384.2 -0.8 384.2 11

Day's high 384.2 384.2

Day's low 384.2 384.2

Open 384.2 384.2

Close 384.2 384.2

Previous 384.2 384.2

High/Low 384.2 384.2

AM Official 384.2 384.2

Kerb close 384.2 384.2

Open int. 180,876

Total daily turnover 12,784

PLATINUM NYMEX (50 Troy oz; \$/troy oz)

Settle 473.5 -0.4 473.5 6

Day's high 473.5 473.5

Day's low 473.5 473.5

Open 473.5 473.5

Close 473.5 473.5

Previous 473.5 473.5

High/Low 473.5 473.5

AM Official 473.5 473.5

Kerb close 473.5 473.5

Open int. 24,924

Total daily turnover 1,786

PALLADIUM NYMEX (100 Troy oz; \$/troy oz)

Settle 128.5 -0.5 128.5 615

Day's high 128.5 128.5

Day's low 128.5 128.5

Open 128.5 128.5

Close 128.5 128.5

Previous 128.5 128.5

High/Low 128.5 128.5

AM Official 128.5 128.5

Kerb close 128.5 128.5

Open int. 1,002

Total daily turnover 251

SILVER COMEX (100 Troy oz; \$/troy oz)

Settle 535.7 +0.1 535.7 2

Day's high 535.7 535.7

Day's low 535.7 535.7

Open 535.7 535.7

Close 535.7 535.7

Previous 535.7 535.7

High/Low 535.7 535.7

AM Official 535.7 535.7

Kerb close 535.7 535.7

Open int. 5,007

Total daily turnover 1,946

ENERGY

## CRUDE OIL NYMEX (42,000 US gal; \$/barrel)

Settle 16.07 -0.16 16.07 21,227

Day's high 16.07 16.07

Day's low 16.07 16.07

Open 16.07 16.07

Close 16.07 16.07

Previous 16.07 16.07

High/Low 16.07 16.07

AM Official 16.07 16.07

Kerb close 16.07 16.07

Open int. 15,159

Total daily turnover 3,696

HEATING OIL NYMEX (42,000 US gal; \$/barrel)

Settle 16.07 -0.16 16.07 21,227

Day's high 16.07 16.07

Day's low 16.07 16.07

Open 16.07 16.07

Close 16.07 16.07

Previous 16.07 16.07

High/Low 16.07 16.07

AM Official 16.07 16.07

Kerb close 16.07 16.07

Open int. 15,159

Total daily turnover 3,696

NATURAL GAS NYMEX (10,000 cubic ft; \$/unit)

Settle 48.80 -0.14 48.80 10,291

Day's high 48.80 48.80

Day's low 48.80 48.80

Open 48.80 48.80

Close 48.80 48.80

Previous 48.80 48.80

High/Low 48.80 48.80

AM Official 48.80 48.80

Kerb close 48.80 48.80

Open int. 12,211

Total daily turnover 25,749

GAS OIL NYMEX (42,000 US gal; \$/barrel)

Settle 16.07 -0.16 16.07 21,227

Day's high 16.07 16.07

Day's low 16.07 16.07

Open 16.07 16.07

## GRAINS AND OIL SEEDS

## WHEAT LCE (\$/tonne)

Settle 116.20 -0.20 116.20 1,716

Day's high 116.20 116.20

Day's low 116.20 116.20

Open 116.20 116.20

Close 116.20 116.20

Previous 116.20 116.20

High/Low 116.20 116.20

AM Official 116.20 116.20

Kerb close 116.20 116.20

Open int. 1,716

Total daily turnover 1,716

WHEAT CBT (5,000 bu; \$/bu)

Settle 455.4 -0.4 455.4 10,558

Day's high 455.4 455.4

Day's low 455.4 455.4

Open 455.4 455.4

Close 455.4 455.4

Previous 455.4 455.4

High/Low 455.4 455.4

AM Official 455.4 455.4

Kerb close 455.4 455.4

Open int. 4,028

Total daily turnover 4,028

BARLEY LCE (\$/tonne)

Settle 107.75 -0.25 107.75 600

Day's high 107.75 107.75

Day's low 107.75 107.75

Open 107.75 107.75

Close 107.75 107.75

Previous 107.75 107.75

High/Low 107.75 107.75

AM Official 107.75 107.75

Kerb close 107.75 107.75

Open int. 600

Total daily turnover 600

SOYABEANS CBT (5,000 bu; \$/bu)

Settle 632.0 -0.4 632.0 22,522

Day's high 632.0 632.0

Day's low 632.0 632.0

Open 632.0 632.0

Close 632.0 632.0

Previous 632.0 632.0

High/Low 632.0 632.0

AM Official 632.0 632.0

Kerb close 632.0 632.0

Open int. 2,982

Total daily turnover 2,982

SOYABEAN OIL CBT (5,000 bu; \$/bu)

Settle 26.57 -0.11 26.57 1,485

Day's high 26.57 26.57

Day's low 26.57 26.57

Open 26.57 26.57

Close 26.57 26.57

Previous 26.57 26.57

High/Low 26.57 26.57

AM Official 26.57 26.57

Kerb close 26.57 26.57

Open int. 1,485

Total daily turnover 1,485

POTATOES LCE (\$/tonne)

Settle 18.0 -0.3 18.0 3

Day's high 18.0 18.0

Day's low 18.0 18.0

Open 18.0 18.0

Close 18.0 18.0

Previous 18.0 18.0

High/Low 18.0 18.0

AM Official 18.0 18.0

Kerb close 18.0 18.0

Open int. 3

Total daily turnover 3

FRIED POTATOES LCE (\$/tonne)

Settle 18.0 -0.3 18.0 3

Day's high 18.0 18.0

Day's low 18.0 18.0



## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700  
Saturday October 14 1995

# Defining the political divide

Benjamin Disraeli once remarked that nothing is contemptible in politics. It is a dictum that British politicians still pray in aid each year during the annual party conference season - and never more so when a general election looms closer on the horizon.

So this year's conferences have seen government and opposition parties parading their rhetorical visions for the millennium, presenting easy answers to intractable problems and illusory escape routes from harsh realities. Sometimes the message, as so often during this week's Conservative gathering, is introverted, aimed primarily at reviving the spirits of the party faithful. Sometimes, as more frequently at the preceding Labour conference, the politicians speak to a wider audience.

The unenviable task for the voters is to extract from the cascade of hyperbole, soundbites and policy initiatives the real differences between the Conservatives, Labour and Liberal Democrats. It is a task made no easier by the fact that the deepest fault-lines of 1980s have now all but closed.

Thus in Brighton last week Mr Tony Blair proclaimed that Labour was now the party of Disraeli's One Nation. In his closing address to the Conservative conference, Mr John Major voiced his determination not to concede this Tory mantle. Mr Blair promised that a Labour government would recruit another 3,000 police officers over the next five years. In this pre-election auction for votes, Mr Major topped that bid by pledging another 5,000 officers over three years.

## Broad acceptance

The economic gospel preached (although not always practised) by Margaret Thatcher's governments has won broad acceptance across the political spectrum. There is no serious challenge to the market economy, universal recognition that low inflation is a precondition for economic success, acceptance that governments can be the facilitator but not the source of economic growth. There is an emerging consensus also on welfare reform and on the importance of higher standards in schools.

Mr Major saw his job as drawing fresh dividing lines, of persuading the voters that after 16 years in office the Conservatives can still look to the future. He did so with more confidence than for years. His decision during the summer to resolve the issue of his leadership was a gamble that has worked. He appears more self-assured, his party less divided. Mr Blair talks of his project to modernise Britain. Mr Major claims that it is the Tory mission.

The prime minister declared that the choice for the electorate

was between a low-tax, deregulated enterprise economy which would prosper in the global economy, and the thinly veiled and outdated interventionism of Labour. Education, law and order and Europe would be the other principal battlegrounds.

The Conservatives, Mr Major said, would press ahead with an education policy which expanded the grant-maintained system. Mr Blair wanted to abolish government subsidies for less advantaged children to attend private schools; Mr Major would double them. Labour spoke the language of tougher policies on crime, but the government would lock up more criminals for longer. Labour would concede further sovereignty to Brussels, the Tories would not sign up to federalism.

## Lurch to populism

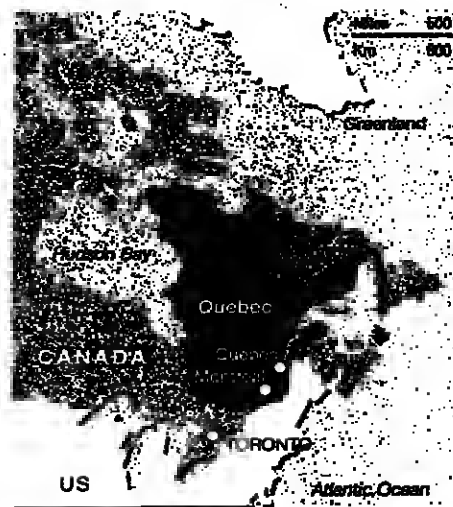
There are obvious flaws in a lurch which is not so much to the right as to populism. The cabinet ministers in charge of Whitehall's spending departments are warning that the price of pre-election tax cuts will be a real fall in the quality of the most important public services. There is growing concern within Whitehall that prudent economics could yet be sacrificed to desperate politics.

The judiciary meanwhile has been quick to point out that populism and effective criminal justice rarely mix. The assisted places scheme will fill empty places in private schools but does not address the central weaknesses of the state-run system.

Mr Major also is still performing an awkward balancing act over Europe. Mr Michael Portillo's xenophobic attack on the European Union earlier in the week was a reminder that the divisions in his party have been suppressed rather than removed. Labour has important allies in much of industry for its assertion that Britain must engage with its partners rather than seek to slay the false dragon of a European super-state.

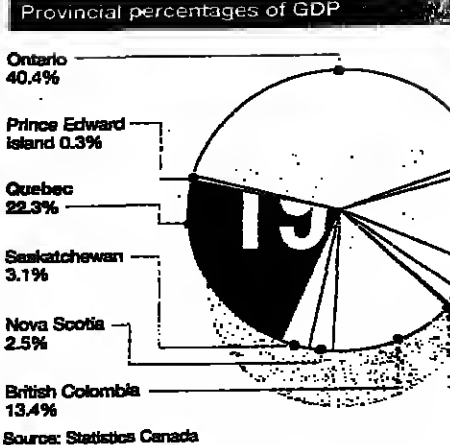
But if their conference has not changed the terms of British politics, it has raised a standard under which most Conservatives will readily march. There is a real chance now that the party will direct its energies towards attacking Labour rather than into its own private wars.

And Labour is vulnerable. Mr Blair has demonstrated his capacity to move his party into the political centre-ground. He now runs a social democrat party in all but name. As a result he retains an unprecedented lead in the opinion polls. But he has yet to give adequate definition to his "project". If he lets the Conservatives define it for him, the outcome of the election will be closer than it looks.

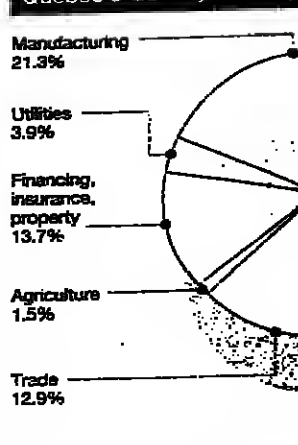


## Independence for Quebec: not a clear-cut choice

Provincial percentages of GDP



Quebec's GDP by industry



Quebec separatists are trailing in the run-up to a vote on leaving Canada, says Bernard Simon

# New ballot on an old question

together. They have warned, for example, that Québécois might lose their right to a Canadian passport and their privileged access to Canadian markets in the event of a Yes vote.

The cautious strategies of the two sides reflect the fact that most Québécois do not see the choice as a clear-cut Yes or No.

A local comedian summed up their divided loyalties with the line that "what Québécois want is an independent Quebec within a strong and united Canada". According to recent opinion polls, about a quarter of those who plan to vote Yes believe that a sovereign Quebec would remain a Canadian province.

Surrounded by some 300m English-speaking North Americans, Québécois, of whom four-fifths are French-speaking, have reason to worry about their language and culture. Mr François Lemieux, president of the Société St-Jean-Baptiste, a group dedicated to defending Quebec's French character, says he is concerned that Canada's French-speaking population grew just 2 per cent between 1981 and 1991, against 12 per cent for the population as a whole.

"For us, French is a way of life," Mr Lemieux says. "It's more than a means of communication." He

describes mainly English-speaking Toronto, 250 miles to the west, as a "strange country". However, most Québécois recognise that being part of Canada brings benefits, from generous unemployment insurance to the status of French as an official language across the country.

The business community is resolutely opposed to a split. Mr Laurin Beaudoin, chief executive of Bombardier, the Montreal-based aerospace and transport equipment group, recently kicked off some of the benefits that his company has received from the federal government, including export finance and job-creation incentives.

I am a Québécois," Mr Beaudoin says. But he adds: "I have a country, Canada, of which I am proud. Canada is not too big for me."

Friction between French and English-speaking Canadians dates from what is known in Quebec as "the Conquest" of 1763, when British forces led by General James Wolfe defeated the Marquis de Montcalm.

Tensions have bubbled to the surface periodically since then. A divisive debate over conscription during the second world war spawned

an assertive brand of Quebec nationalism. Meanwhile, English-speaking Canadians' frustration with Quebec has grown, especially in the increasingly influential western provinces of British Columbia and Alberta, where French is seldom heard.

Passions were revived in 1990, when two of the 10 provinces failed to ratify a constitutional agreement, known as the Meech Lake accord. Among other things this would have formally recognised Quebec as a "distinct society" and transferred numerous powers from the federal government to the provinces.

Separatist leaders have often invoked past "humiliations", such as Meech Lake, during the campaign. A draft declaration of sovereignty, unveiled by Mr Parizeau last month, warns that to remain part of Canada "would be tantamount to condemning ourselves to languish and to debasing our very identity".

But the secessionists have also tried to allay fears among Québécois by promising close ties with the rest of Canada. Carefully avoiding the word "independence", the referendum question asks whether Quebec "should become sovereign, after having made a formal offer to Canada for a new political and economic partnership".

In an effort to turn the tables on the federalist forces in the remaining two weeks of the campaign, Mr Bouchard is expected to emphasise that a Yes vote would be primarily an offer to negotiate such a deal.

The separatists insist that the rest of Canada would have little choice but to conduct business as normal with an independent Quebec. They say that the Canadian dollar would remain the official currency and Quebec would quickly accede to the North American Free Trade Agreement.

But the federalist side is trying to hammer home the message that by voting Yes, Québécois would be embarking on a risky and potentially costly adventure.

Mr Paul Martin, Canada's finance minister, who has emerged as the most forceful voice in the No camp, warned recently that Canadian passports, federal transfer payments, labour mobility and much more would be lost.

"All of these benefits come from being Canadian," Mr Martin said. "We don't offer them to Costa Ricans or Australians. Nor would they be available to citizens of a foreign country called Quebec."

Separatists are aware that the odds on reviving their independence dream could widen if they lose. A low birth rate among French-speaking Québécois and a steady influx of staunchly pro-Canada immigrants do not augur well.

However, a No victory would not necessarily bring lasting harmony to Canada. Another round of potentially divisive constitutional talks is scheduled for 1997.

While most Québécois may not hanker after independence, they do seek reassurance that they occupy a special place in the federation. The big question after the referendum - whichever side wins - is to what extent Canadians in Toronto, Calgary and Vancouver still want to accommodate Quebec.

Much of the land they occupy was incorporated into Quebec only in the early part of this century. Some aboriginal leaders have threatened to secede unilaterally from the new state if Quebec sovereignty is foisted on them.

Despite the discontent, many non-francophones retain a deep loyalty and affection for Quebec. Mordecai Richler, the novelist, wrote a few years ago: "I could not live anywhere else in Canada but Montreal. So far as one can generalise, the most gracious, cultivated and innovative people in this country are French Canadians... If I consider the PQ an aberration, it's only because, should their policies prevail, everybody in Canada would be diminished."

## Speaking in tongues

None of Mr John McGreevy's colleagues spoke French when he started work as an accountant in Quebec City 64 years ago. Most local businesses were either in the hands of English-speaking entrepreneurs or controlled by anglophone companies in Montreal and the UK.

These days, says Mr McGreevy, "I automatically speak French to people until they speak to me in English." While Quebec City has unshrouded into a conurbation of 650,000 people, its English-speaking population has more than halved since the 1930s to about 12,000.

Mr McGreevy, who will vote No on October 30, says: "I think that

both Canada and Quebec will have a dreadful time if they split up." Like many other English-speaking Canadians, he predicts that much of Canada would eventually be absorbed by the US if this happened, leaving French language and culture even more vulnerable.

The English-speaking establishment has lost numbers and influence since the days when its members called the shots in the province through Montreal-based companies such as Royal Bank of Canada, Bank of Montreal, Canadian Pacific and Alcan Aluminium.

Thousands of anglophones have moved away since the separatist Parti Québécois first took office in the mid 1970s. Many were driven away by the French-only language law, known as Bill 101, passed in 1977. This barred the use of languages other than French in most public places.

Language has become less of an issue in recent years. But few English speakers can forget people like Mr Allan Singer, an elderly stationer who appeared in court 45 times in the 1970s and 1980s for refusing to comply with Bill 101.

"No damned government is going to tell me to take down my English sign," Mr Singer once said. The void has been filled by thousands of immigrants, who live mainly in Montreal. Many are French-speaking, from countries such as Lebanon, Egypt, Haiti and Vietnam. They too are opposed to a break from Canada.

However, some of the separatists' most vocal critics are in the 55,000-strong aboriginal community. They include Eskimos - known as Inuit - and various Indian bands, based mainly along the US border.

## WOMAN IN THE NEWS: Tansu Çiller

# Hard-hitter in weak position

Tansu Çiller often says she will run Turkey for as long as it takes her to transform it into a modern, prosperous European state. "Only then will my mission be complete," she says.

Yet there is an even chance that tomorrow her mission will be curtailed in a parliamentary vote of confidence, which could pull the plug on her government.

Mrs Çiller is no stranger to cliffhanger struggles for survival. She has spent most of her two years as prime minister fighting to hold on to, rather than exercising, power. Instead of dragging Turkey into the modern world, she has often been obliged to compromise with the more traditionalist elements in Turkish politics. The result has been a period of crisis and confusion.

The latest episode began on September 20, when a dispute with her junior coalition partner escalated into a bitter confrontation that led to the government's collapse. Mrs Çiller then spent weeks cutting deals with various political leaders in an attempt to form a new administration.

Last week she unveiled a minority government that is bizarre even by the standards of Turkish politics. Her new cabinet draws heavily from the hardline fringe of her conservative True Path party. But it is also backed by two parties that are more often at each other's throats: the far-right Nationalist Action party and the moderate Democratic Left.

Rebellion by some traditionalist members of True Path, the largest party in parliament, and vacillation by the Democratic Left could deny Mrs Çiller a majority in the confidence motion. Yet whatever its outcome, the vote will probably result in continued uncertainty. This is

because any other prime minister would face the same difficulties as Mrs Çiller in forming an effective administration. Elections must be called by November next year, although many think a poll may be called much sooner.

Mrs Çiller's dominance of Turkish politics makes it easy to forget that she was plucked from the obscurity of an Istanbul university, where she was an economics professor, only five years ago. She became prime minister when party delegates chose her to replace Mr Süleyman Demirel - now Turkey's president - as True Path leader in 1993. At 49, she is Turkey's first woman prime minister.

She combines a ruthless hunger for power with occasional political maladroitness. Many believe that a more sure-footed politician would have fended a solution to the dispute that torpedoed her government. Her former coalition partner, the centre-left Peoples Republican party, had simply wanted the removal of a hardline Istanbul police chief. She has also been criticised for allowing a 10-month wage negotiation with public-sector workers to break down, causing Turkey's biggest strike in 10 years.

Mrs Çiller owes much of her political appeal to her tough personality and glamorous looks. The media were enraptured when she came to power, describing her as "our blonde and beautiful prime minister". Unlike most traditional politicians, she is remarkably telegenic.

She is an effective, hard-hitting campaigner of the old school. Her speeches are exercises in tub-thumping populism.

Married with two sons, she usually dresses in demure white outfits. The hems of her skirts have grown longer over the years in def-



erence to Islamic sensibilities. But she is also a tactful politician, which is unusual in Turkey. One Istanbul investment banker recalls bashfully that she once held hands with him throughout a meeting.

Her record as prime minister is mixed. Last year she presided over a currency and balance of payments crisis that led to record inflation of 126 per cent and a severe recession. Although she is blamed by Turkey's business community for precipitating the crisis by attempting to drive down interest rates, she is also credited with subsequently restoring a degree of stability.

The weakness of her present political position has stalled attempts to introduce important structural economic reforms. As a result, privatisation, reform of the bankrupt social security system, and moves to combat the underground economy and aim down the large civil service have barely started.

Mrs Çiller has alienated impor-

tant potential allies. Gifted aides and senior civil servants have quit in anger, complaining about her reluctance to delegate and her short attention span.

Her early promises to seek a political solution to the Kurdish insurgency in south-eastern Turkey were prevented by military commanders. Mrs Çiller has now given the generals carte blanche to stamp out the rebellion, with a predictably heavy cost in lives and human rights violations. This, plus a six-week incursion into northern Iraq in March, has brought her widespread international condemnation.

Such criticism has come at a bad time for her, as her principal foreign policy objective - clinching a customs union with the European Union - depends principally on convincing the European Council that human rights in Turkey are improving.

She claims overseas that she is the west's best chance to halt the advance of Moslem extremism, but at home she is attempting to co-opt the Islamists. Her backers argue this is because she needs to make tactical concessions to the Islamists, as well as to the populists and rightwing hardliners. The direction of her policies, they say, remains pro-western and pro-reform.

Aides say Mrs Çiller still hopes to secure customs union before calling early elections. She could then present herself as a moderniser and the woman who brought Turkey closer to Europe. They claim this would win her a majority in parliament and a mandate for reforms that would transform Turkey into a European tiger.

It is more likely that she will be unable to break the mould of Turkish politics, and that the next election will herald another period of unstable and indecisive coalition government.

Yet as one observer points out: "Change is in train, however imperceptible and slow. Çiller is committed to this. No other [leader] in Turkey is appealing or modern."

John Barham

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WHITTINGDALE GILT-EDGED EXPERTS

مكتبة الأمل



# The return of merger mania

Nicholas Denton and David Wighton on the factors behind a flurry of UK acquisitions

The UK is in the grip of an acquisition boom. A cluster of large deals has buoyed the stock market and will make 1995 a record year for takeover activity. The value of transactions is set to exceed the £47.2bn recorded at the last peak of the mergers and acquisitions cycle in 1989.

The excitement has reached such a pitch that even companies as large as Grand Metropolitan, the UK food and drinks group, are objects of bid speculation.

After Glaxo's £9.1bn (\$14bn) takeover of Wellcome, its UK pharmaceuticals rival and Lloyds Bank's £4.9bn bid for TSB Group, anything appears possible.

One recently rumoured bidder for GrandMet was none other than Kohlberg Kravis Roberts, the US corporate raider. It was KKR's \$25bn takeover of RJR Nabisco, another food and drinks group, closed in 1989, which above all epitomised the acquisition frenzy of that era.

But there are marked differences between the merger mania of the 1980s and the situation prevailing at present.

Most importantly, the present wave of deals has been focused on comparatively few business sectors. The top dozen takeovers have been exclusively in three areas: electricity distribution, financial services and pharmaceuticals.

Six of the 12 regional electricity companies have been acquired or have bids pending. Of the six largest independent UK investment banks at the beginning of this year, four - S.G. Warburg, Barings, Kleinwort Benson and Smith New Court - have been taken over. Takeovers have also swallowed Wellcome and

Pisons, the second and fourth largest UK pharmaceuticals companies.

For investment banks active in these fast-consolidating areas, the year has been exceptionally lucrative. Goldman Sachs, the US investment bank, earned \$12m on one deal alone, advising Eastern Group, the regional electricity company, on its sale to Hanson, the conglomerate. The mergers and acquisitions industry as a whole will earn more than £500m for advising on UK acquisitions this year.

For top deal-getters at international investment banks in London, this year's bonanza will in many cases lift pay over the £1m mark.

Within investment banks, corporate financiers are riding high. "The M&A guys are getting big for their britches," says one US executive in London. Graduate trainees now crowd not so much into derivatives and emerging markets as into mergers and acquisitions departments.

"Young graduates think mergers and acquisitions is sexy in a way that it was five years ago and was not two years ago," says Mr Stephen Hester, head of European M&A at CS First Boston, the investment banking division of CS Holding.

One reason why takeover activity has been concentrated in such a narrow range of sectors is that it has been motivated largely by industrial rather than financial logic.

## In the grip of takeover fever

Top dozen takeovers in UK, 1995					
Acquirer	Target	Sector	Value of deal (£m)	Status	
Glaxo	Wellcome	Pharmaceuticals	9.1	Completed	
Lloyds Bank	TSB Group	Banking	4.9	Agreed	
National Power	Southern Electric	Electricity	2.8	Agreed	
Hanson	Eastern Group	Electricity	2.4	Completed	
PowerGen	Midlands Electricity	Electricity	1.9	Agreed	
North West Water	Norwest	Electricity	1.8	Agreed	
Finne-Polken-Rose	Pisons	Pharmaceuticals	1.5	Agreed	
Abbey National	National & Provincial	Banking	1.4	Agreed	
Scottish Power	Manweb	Electricity	1.1	Agreed	
Southern Company	Swab	Electricity	1.1	Completed	
Dresdner Bank	Kleinwort Benson	Investment banking	1.0	Completed	
Swan Bank Corporation	R.D. Warburg	Investment banking	0.9	Completed	

The last wave of takeovers accounted for a large number of underperforming companies, with corporate raiders and conglomerates able to extract profit through restructuring or breaking up their targets. Today's acquirers, by contrast, are more often industrial companies seeking to expand their main business and achieve cost savings

by combining central functions such as marketing or research and development.

This emphasis on industrial logic helps to explain the recent flurry of deals in investment banking, with a number of groups giving up their independence after the collapse of Barings convinced them a strong capital base was needed to compete

effectively in the international securities business.

The stress on an industrial rationale for takeovers has, in turn, changed the character of the advisory business.

Corporate financiers with a background in industry are much sought after. Investment banks which have developed reputations

## Insurers get the bug

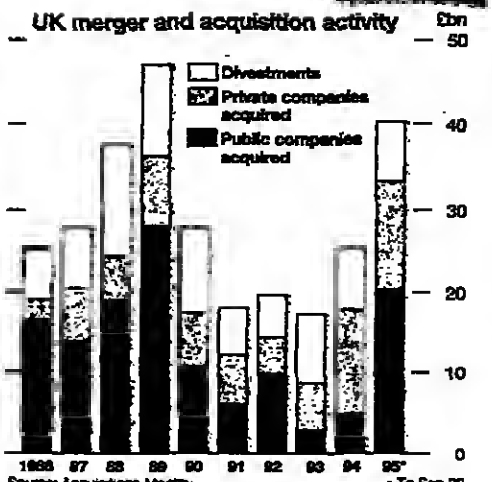
The decision by Norwich Union, the giant mutually-owned insurer, to convert to a shareholder-owned company is likely to herald a period of acquisitions in the insurance industry, Alison Smith writes. Getting access to new capital would enable Norwich Union to expand into new financial services in the UK or overseas.

The insurer's announcement comes at a time of mixed fortunes in the UK industry, with intense competition eroding margins. One response is to abandon mutual status in return for an alliance with a stronger partner - as the board of Provident Mutual, a medium-sized mutual insurer, is recommending to policyholders. Others may decide that conversion is unnecessary - as has Standard Life, the UK's largest mutual insurer.

But other large mutuals may conclude they have to follow Norwich Union's example if they are not to miss out on the economies of scale available through acquisition.

to bot sectors - such as Schroders and Goldman Sachs to electricity distribution - have benefited. All leading houses are now setting up specialist industry groups.

Investment bankers are also having to work harder for their fees. They are under pressure not just to impress individual chief executives with their understanding, but to



A new fashion accessory has caught on among the staff of Japanese opposition politicians: a gold, eight-leaved lotus badge, pinned discreetly to the lapel.

The badge denotes membership of Soka Gakkai, the country's largest Buddhist group and the most powerful of Japan's new religions, its growing political influence, as the main provider of votes for the opposition New Frontier Party, shows how religious sects have moved from the fringes towards the centre of power in just a few years.

Since the NFP's surprisingly good showing in elections for Japan's upper house in July, ambitious politicians have been struggling to win - or neutralise - the religious vote. A symptom of the fierceness of the battle was the resignation on Monday of Mr Tomoharu Tazawa, the Liberal Democratic Party justice minister. According to Japanese newspapers, he offered to oppose measures to increase official control over religions if the NFP promised not to ask awkward questions about his links with Risho Koseikai, another lay Buddhist sect.

The new measures have been introduced in the aftermath of the terrorist attacks alleged to have been carried out by Aum Shinrikyo, an obscure mystical cult with no political leverage. There is considerable support for such curbs, with 80 per cent backing them according to recent polls. This may increase as fresh revelations of Aum atrocities emerge in the run-up to the murder trial of its leader, Mr Shoko Asahara, which begins on October 26.

But despite this popular support, the plan has drawn opposition accusations that the government is plotting a political attack on Soka Gakkai to undermine the NFP. That is why, according to press reports, the NFP was prepared to accept Mr Tazawa's opposition to the new measures in return for not probing a ¥200m loan from Risho Koseikai to a think-tank he chairs. Mr Tazawa denies impropriety, as does the NFP and its religious core, the Komeito clean government party, the political arm of Soka Gakkai. Nevertheless, Mr Tazawa still had to step down because the government could not afford to be seen abusing religious influence, explains Mrs Mayumi Morioka, vice-chairman of the LDP panel drafting the plan, to be debated in parliament in the next few weeks.

There is some sympathy for this view even among the governing parties. As Mrs Morioka points out, nearly every member of parliament depends, to varying degrees, on the support of the devout - only the Socialists, non-believers by definition, are free of such accusations.

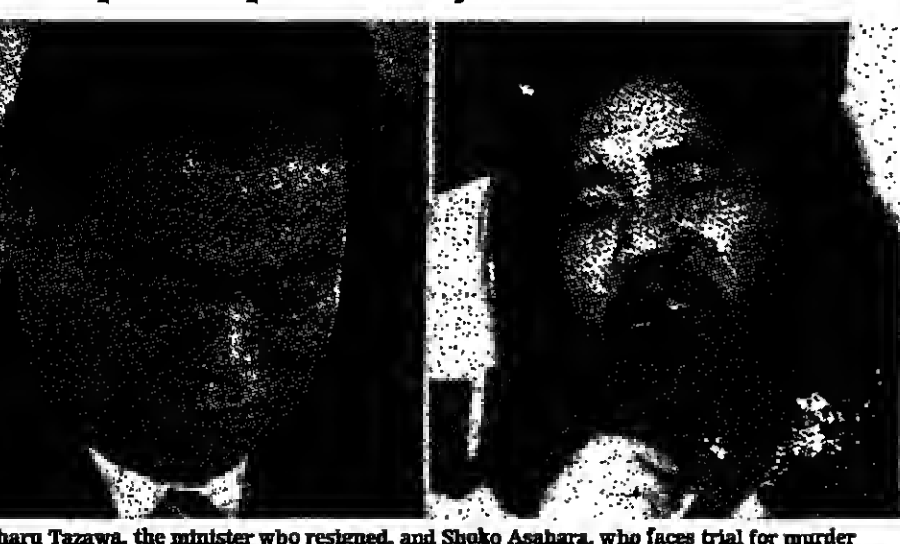
The religious sects have stepped into the vacuum created by the break-down in the traditional political loyalties since the LDP lost the 1993 election, ending 38 years of single-party rule. Industrial companies have cut political funding because of tough new controls on donations, while the breakdown of the LDP patronage system has weakened the powerful farmers' lobby.

Religious groups, by contrast, have thrived on instability, for worldly and spiritual reasons. The generous tax breaks they are allowed under Japanese law and donations from the faithful have kept them rich. Soka Gakkai, for example, makes an untaxed ¥1.5bn net annual profit from its own newspaper, Seikyo Shimbun.

Meanwhile, their membership remains very high, a mark of how many Japanese feel that the rush for material success has led to a loss of a spiritual dimension. Soka Gakkai has 3m followers in Japan.

## Religious sects move centre stage

Buddhist groups have become more influential in Japanese politics, says William Dawkins



Tomoharu Tazawa, the minister who resigned, and Shoko Asahara, who faces trial for murder

But Soka Gakkai officials accuse the government of trying to make mischief ahead of the general election widely expected next year. According to opinion polls, the LDP is unlikely to command a majority and will have to form another coalition. This is likely to be easier with the NFP, since its existing partner, the Social Democratic Party, will have disbanded by the end of the year. Curbing the sects would strengthen the LDP in negotiations with the opposition.

The NFP, meanwhile, has been flourishing largely thanks to Soka Gakkai's vote gathering machine, which according to one political consultant in Tokyo, is the most efficient in post-war history. Since Komeito joined the opposition alliance late last year, Soka Gakkai has asked its local chapters to endorse any NFP member who appears to have suitable social and ethical views.

The result has been spectacular. Mr Tomio Fujii, a member of Komeito, reckons that Soka Gakkai accounted for 8m of the 12.5m votes which the opposition obtained in the July upper house poll. In the last general election in 1993, 53 of the 55 politicians endorsed by Soka Gakkai won seats, a hit rate unsurpassed by any party.

The measure under consideration would revise a 1951 law, established to defend religious freedom against Shinto, the religion which played an important part in the rise of pre-war militarism. This law helped Soka Gakkai to grow so fast, protected from official interference and able to offer a community life to the armies of salaried workers that helped build Japan's economic miracle.

The revision would force groups active in more than one prefecture to register with central, rather than local, government. This would plug a loophole in existing law exploited by Aum, which managed to evade official attention by registering an office in Tokyo but carrying out most of its activities, unchecked, in a chemical weapons factory on the lower slopes of Mount Fuji.

Religions would be obliged to make financial reports to the authorities, a proposal designed to avoid a repeat of Aum's success in extorting donations from its followers and their families. The draft proposes that the authorities could, at any time, ask religious groups to reapply for religious status - under which they get tax breaks - thus obliging them to submit to a full official investigation.

The mainstream religions argue that the scheme would be ineffective. The only way to stop dangerous sects is to make better use of existing counter-terrorist laws, says Mr Ichiro Ozawa, the NFP's chief strategist and power broker.

And political analysts assume the plan will be watered down to achieve parliamentary accord, not least because so many parliamentarians depend on such groups. The religious vote will therefore continue to exert increasing influence on politics.

For foreigners, this raises the prospect that Japanese politicians may be less driven in the future by clear industrial or financial interest groups and more prone to the calling of some religious group, a more inscrutable master.

## The play's the thing

S illiwood, the imaginary point at which Silicon Valley's virtual universe merges into Hollywood's world of entertainment, is a phenomenon much discussed but little explored.

That is due to change over the US Thanksgiving holiday next month when it will be opened up to the paying public with the launch of *Toy Story*, Walt Disney's family film for the holiday season.

The animated feature is a blend of northern California's new technical skills, the art of the 100-year-old movie industry in the south of the state, and Disney's marketing prowess. For the opening in Hollywood Disney will offer customers a new experience in interactivity - a chance to play in the fantasy environment generated in the movie. *Toy Story* is the first full-length animated feature film generated entirely on computers. Instead of the thousands of individual, two-dimensional drawings traditionally used in animation, *Toy Story* has in-the-round sets and characters conjured from thousands of computer graphics.

The finance and the supervision of the story - based on the ill-assorted contents of a boy's toy cupboard - came from Disney. The job of conjuring up an animated 76 characters and 350-odd three-dimensional objects fell to Pixar, a computer graphics company which has blossomed under the patronage of Mr Steve Jobs, co-founder of Apple Computer.

Mr Jobs, reckons *Toy Story* is a seminal work: no less than "the Snow White of this new genre". Analysts and cinema operators who have seen extracts tend to agree. "This is a high-anticipation event," says Mr Jill Krutick of brokers Smith Barney in New York.

Needless to say, Disney wants to avoid any possibility of disappointment when the real world - in the form of the paying customer - intrudes. Full marketing plans for the US, and Europe, which can expect the film to time for Christmas, are still secret. But the scale of Disney's ambitions may be gauged from the



The 3-D stars of Disney's new film: viewers join in after the show

goings-on in a former masonic temple next door to its El Capitan cinema in Hollywood Boulevard.

The three-storey building is being converted into a understated theme park kitted out with over-sized props and dedicated to the characters and events of *Toy Story*.

For up to \$30 a seat, customers first see the movie and then, in effect, become part of the show as they are ushered next door. The giant props furnish the illusion that the visitors have been shrunk to toy-size, a condition in which they can enjoy attractions including a live show in a 250-seat theatre. There will also be a housekeeping "flight" ride similar to the attractions at Disney's full-scale theme parks.

Disney's 40 years of crowd control experience at Disneyland in nearby Anaheim will be applied with a vengeance. Officials claim - on the basis of 1,000 cinema-goers a show at six showings a day - that they could squeeze up to 250,000 people through the El Capitan and the adjoining interactive experience during the planned six-week run.

Standard promotional accoutrements are lined up, including clothing, lunch boxes and a CD-ROM. But this is another point at which *Toy Story* departs from tradition. Apart from the two main characters - Woody, a cowboy equipped with the voice of Tom (Forrest) Hank, and Buzz Lightyear, an astronaut - the other

toys important to the action are not Disney originals. They include old-fashioned playthings such as Mr Potato Head, Sprograph and Etch-A-Sketch. Industry observers suggest the nostalgia is part of a strategy to strengthen Disney's appeal in the fickle family movie market.

*Pocahontas*, Disney's summer animated hit, proved once again the durability of the group's standard formula, but the number of other films which faded this year suggests some producers have been either misjudging or over-loading the market.

The new techniques used in *Toy Story* - in a venture which some observers believe could damage Disney's traditional animation business - demonstrate the company's determination to generate family film entertainment in a style and on a scale to test the resolve and ability of the most determined competition.

Advance ticket sales for "a new way to have fun at the movies" started yesterday accompanied by an explanatory four-page supplement in the Los Angeles Times. As it prepares to raise the curtain on the *Snow White* of the electronic age, Disney is investing every effort to ensure that the ethereal adventures of Woody and Buzz live up to expectations and become the main attraction of the holiday season. They should also establish a firm footing for the next *Silliwood* special, due in 1997.

Christopher Parkes

## Digital broadcasting never a match for fibre system

From Mr Neil A. McEvoy. Sir, Mr Mark Shurmer (Letters, October 11) makes some good points about the economics of developing a universal fibre-optic network, particularly that the business case based on its use for distributing "broadcast" TV is questionable. Unfortunately, Mr Shurmer neglects wider economic, social and technological factors in espousing a broadcast "information superhighway" as opposed to a fibre-based superhighway.

Broadcast TV developed in a world where people produced at work and consumed at home. Some workplaces specialised in the production of information, using expensive facilities, such as printing presses and film studios, to produce goods which were (in the widest sense) broadcast to the masses.

Society no longer fits this model. The majority of people are engaged in the knowledge economy and are equally producers and consumers of information. What is more, "digitalisation" is causing a collapse

In the cost of the means of production, to the extent that specialised workplaces are no longer required.

I can (and do) already capture and edit digital movies using home equipment - a camcorder, multimedia PC and inexpensive software. What I cannot do is transmit those movies (of the children playing) to their grandparents, or training videos (to customers worldwide) using the communications infrastructure to which Mr Shurmer would confine us.

A single optical fibre has more capacity than the ether in any particular locale. As demand for bandwidth increases the ether will saturate, but it will always be possible to run more fibres. The proper role for fibre is to communicate with mobile transceivers.

Neil A. McEvoy, director, Hyperion Information Technology Management Consultancy, 8 Frederick Sanger Park, Surrey Research Park, Guildford, Surrey GU2 5YD, UK

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5538 (please set fax to 'line'). Translation may be available for letters written in the main international languages.

## Air traffic control not shambles

From Mr D.J. McLaughlin. Sir, I should like to take issue with Mr K.H. Neumeister's views (Letters, October 11) on the case for a single European air traffic control (ATC) system. European ATC is not a shambles.

While it is true that there is a legacy of diverse operating systems in Europe, Mr Neumeister fails to mention the substantial improvements that have been made in recent years, as a result of the political commitment of governments across Europe, and the close co-operation between the ATC organisations for which they are responsible.

The political commitment to improving the quality of service to customers came with the European Civil Aviation Conference Strategy for the 1990s.

The implementation of the strategy, which is being co-ordinated on a pan-European basis by Eurocontrol, is now well advanced. As our contribution in the UK, we have reduced our charges, substantially increased our capacity to accommodate the continued rapid growth in air traffic, and in the process cut ATC delays from an average of 20 minutes a few years ago to four minutes today.

We are continuing to invest around £100m a year to maintain and improve on this performance.

European governments took the right decision in 1990 to opt for the harmonisation of ATC systems across Europe, rather than accept the ambitious and politically impracticable idea for a single system put forward at the time by the Association of European Airlines.

What matters to pilots and airline operators is that they are presented with a system that operates seamlessly. As with the international telephone system, what matters is that the system should work well and that national boundaries should be transparent, not that the equipment should be identical nor that it should be owned and operated by a single organisation.

We can harmonise effectively by adopting internationally agreed common standards and procedures for our operating systems, without any of the political difficulties that would come with proposals for ceding sovereignty of our airspace to a new international bureaucracy, which of course is implicit in the concept of a single system.

D.J. McLaughlin, chief executive, National Air Traffic Services, CAA House, 45-59 Kingsway, London WC2B 6TE, UK

## Minimum wage jobs boost

From Mr John P. McBride. Sir, It must surely be a curious coincidence that the union-proposed rate of £4.15 per hour for a 40-hour week is precisely the level required to place employees into the band for taxation of benefits in kind, thus requiring the completion of a form P11D.

Perhaps this is a cunning way immediately to improve the unemployment figures with the substantial increase in the number of Revenue officers required in order to issue, check and process these forms.

John P. McBride, managing partner, McBrides, Nexus House, Sileham, Kent DA14 5DA, UK

## Clearly right to prosecute

From Mr John Donovan. Sir, The Director of the Serious Fraud Office considers it is not in the public interest for there to be a prosecution brought by Barings Bank bondholders ("Bondholders lose case", October 13).

On the contrary, it is clearly in the interests of the bondholders that they should bring

their prosecution. And it is probably in the wider public interest that searching enquiries be made as to who is so anxious to avoid allowing Nick Leeson his day in a British court and, of course, why.

John Donovan, 17A La Plata d'Ordino, Principality of Andorra



## CURRENCIES AND MONEY

## MARKETS REPORT

## Dollar rally

By Philip Gawth

A strong rally in the US bond market, which reached record levels for the year, yesterday helped the dollar get its head above DM1.43 for the first time in a week.

The dollar has recently tended to track the bond market, and traders said there was evidence yesterday of Japanese buying at the short end of the market. Large scale buying of US assets by Japanese investors is considered by many analysts to be crucial to any further rally in the dollar.

The dollar closed in London at DM1.4291, from DM1.4223. Against the yen it finished at Y100.675 from Y100.245.

The firmer dollar came to the rescue of a number of European currencies, with the lira, French franc and Swedish krona all rallying against the D-Mark.

The lira closed at L1.123 against the D-Mark, from

L1.126, the strongest it has been in nearly three weeks. The Swedish krona had a particularly volatile day, trading between SKr4.84 and SKr4.90, before closing at SKr4.864, from SKr4.869.

The pound was unchanged against the dollar, at \$1.5724, and a bit firmer against the D-Mark, at DM2.3474, from DM2.3364.

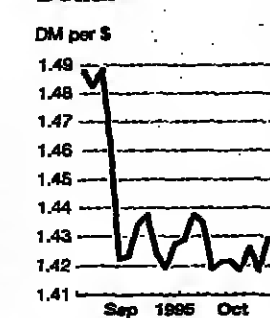
■ The dollar finished slightly higher in New York

Oct 13	Open	High	Low	Close
1m	1.4281	1.4291	1.4271	1.4291
3m	1.4281	1.4291	1.4271	1.4291
1yr	1.4281	1.4291	1.4271	1.4291

firm at the end of a quiet week, following the G7 meeting in Washington which re-affirmed the commitment of leading industrial nations to a stronger dollar.

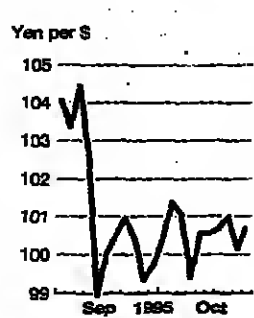
Until the central banks show their willingness to buy the dollar again, it looks likely to

## Dollar

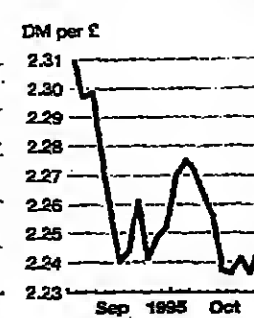


Source: FT Data

## Sterling



## D-Mark



stay in a tight trading range. The release next week of US and Japanese trade figures, however, may provide markets with fresh trading direction. The trade imbalance between the two countries is arguably the main reason why the dollar has weakened so much in recent years against the yen. Aside from the bond market rally, the dollar also gained support from rumours that central banks might be orchestrating a policy of covert dollar support. There were reports that some smaller central

banks were transacting slightly unusual trades, possibly in an attempt to push the dollar higher as a prelude to the larger banks coming in on the back of a rising currency. Mr. Tony Norfield, treasury economist at ABN AMRO in London, said: "The small recovery in the dollar has taken quite a lot of pressure off European bond markets and foreign exchange rates."

A trader at one of the leading European banks said the higher dollar was pressurising people who had been "long of

the D-Mark on the European break-up story."

■ The fate of the Austrian schilling, in the wake of the government falling, was more a cause of mirth than trading activity. Mr. Neil MacKinnon, chief economist at Citibank in London, said "he would have to freeze over the link between the schilling and the D-Mark was broken."

A London trader noted: "Twenty years of near monetary union says you are wrong if you try and speculate

against the schilling. It is like people speculating (unsuccessfully) against the Belgian franc, except that the schilling has been linked to the D-Mark much closer and longer."

■ Short sterling contracts performed well, with the rally in the US treasury market providing a fillip to sentiment in most interest rate markets. In its daily operations the Bank of England provided \$450m assistance towards clearing a \$1.05bn market shortage.

## POUND SPOT FORWARD AGAINST THE POUND

Oct 13	Open	High	Low	Close	1m	3m	6m	1yr	JP Morgan
Europe	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Austria	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Belgium	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Denmark	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
France	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Germany	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Greece	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Ireland	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Italy	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Luxembourg	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Netherlands	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Norway	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Portugal	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Spain	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Sweden	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
Switzerland	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
UK	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724
USA	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724	1.5724

## DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Oct 13	Open	High	Low	Close	1m	3m	6m	1yr	JP Morgan
Europe	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Austria	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Belgium	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Denmark	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
France	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Germany	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Greece	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Ireland	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Italy	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Luxembourg	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Netherlands	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Norway	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Portugal	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Spain	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Sweden	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Switzerland	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
UK	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
USA	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665

## CROSS RATES AND DERIVATIVES

## EXCHANGE CROSS RATES

Oct 13	Open	High	Low	Close	1m	3m	6m	1yr	JP Morgan
Belgium	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Denmark	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
France	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Germany	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Greece	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Ireland	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Italy	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Luxembourg	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Netherlands	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Norway	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Portugal	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Spain	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Sweden	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
Switzerland	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
UK	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665
USA	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665	1.0665

1. Rates for Oct 12. Dollar spot rates only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling rates calculated by the Bank of England. Base average 1990 = 100. Index released 10:00. Bid, Offer and Midpoints in both the US Dollar Spot table and the FRANKFURT CLOSING SPOT RATES. Some values are rounded by the FT.

## D-MARK FUTURES (MM) DM 125,000 per DM

Dec	Open	High	Low	Close	Est. vol	Open int.
Dec	0.7069	0.7078	0.7069	0.7078	18,961	49,393
Mar	0.7069	0.7078	0.7069	0.7078	175	2,803
Jun	0.7069	0.7078	0.7069	0.7078	69	

## SWISS FRANC FUTURES (MM) Sfr 125,000 per Sfr

Dec	Open	High	Low	Close	Est. vol	Open int.
Dec	0.8758	0.8765	0.8758	0.8765	13,252	32,231
Mar	0.8758	0.8765	0.8758	0.8765	3,975	2,194
Jun	0.8758	0.8765	0.8758	0.8765	17	32

## LONDON MONEY RATES

Oct 13	Overnight	7 days	One month	Three months	Six months	One year
Interbank Sterling	7 1/4	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
Bank of England	7 1/4	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
Local authority dep.	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Discount Market dep.	7 1/4	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2

UK clearing bank base lending rate 6 1/2 per cent from February 2, 1995

Cost of Tax dep. (E100,000)

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Cost of Tax dep. (E100,000)







● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

هَكَذَا مِنْ الْأَصْلِ



**FT MANAGED FUNDS SERVICE**

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

[illegible]



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on ( +44 171 ) 873 4378 for more details

**BERMUDA (SIB RECOGNISED)**

[illegible]

**GUERNSEY (REGULATED)(\*\*)**

ANZ Migrant Co (Guernsey) Ltd			
Foreign Incs Listed on PSE	1973.50	14.35	-2.01
Apollon Investment Inc	15.00	15.00	0.00
Artis	15.00	15.00	0.00
Aust Bank Fund Managers (Guernsey) Ltd			
International Growth	15.00	15.00	0.00
International Income	15.00	15.00	0.00
International Global Investment Fund Ltd	15.00	15.00	0.00
CIBC Fund Managers (Guernsey) Ltd			
International Growth	15.00	15.00	0.00
International Income	15.00	15.00	0.00
International Global Investment Fund Ltd	15.00	15.00	0.00

**BERMUDA (REGULATED\*\*)**

[illegible]

**GUERNSEY (SIB RECOGNISED)**

AIG Investment Managers (Guernsey) Ltd				
PO Box 250, St Peter Port, Guernsey GY				
(0441) 712081				
Invest in Equity Mktg	82.9	73.7	10.0	1
Invest in Fixed Income	82.9	73.7	10.0	1
Invest in Property	82.9	73.7	10.0	1
Invest in Multi-Asset	82.9	73.7	10.0	1
Invest in Commodity	82.9	73.7	10.0	1
Invest in Hedge Fund	82.9	73.7	10.0	1
Invest in Private Equity	82.9	73.7	10.0	1
Invest in Real Estate	82.9	73.7	10.0	1
Invest in Infrastructure	82.9	73.7	10.0	1
Invest in Art Collection	82.9	73.7	10.0	1
Invest in Cryptocurrency	82.9	73.7	10.0	1
Invest in Digital Assets	82.9	73.7	10.0	1
Invest in Sustainable	82.9	73.7	10.0	1
Invest in ESG	82.9	73.7	10.0	1
Invest in Impact	82.9	73.7	10.0	1
Invest in Social	82.9	73.7	10.0	1
Invest in Environmental	82.9	73.7	10.0	1
Invest in Governance	82.9	73.7	10.0	1
Invest in Human Rights	82.9	73.7	10.0	1
Invest in Labor	82.9	73.7	10.0	1
Invest in Anti-Corruption	82.9	73.7	10.0	1
Invest in Transparency	82.9	73.7	10.0	1
Invest in Accountability	82.9	73.7	10.0	1
Invest in Ethics	82.9	73.7	10.0	1
Invest in Integrity	82.9	73.7	10.0	1
Invest in Honesty	82.9	73.7	10.0	1
Invest in Trust	82.9	73.7	10.0	1
Invest in Loyalty	82.9	73.7	10.0	1
Invest in Commitment	82.9	73.7	10.0	1
Invest in Dedication	82.9	73.7	10.0	1
Invest in Passion	82.9	73.7	10.0	1
Invest in Enthusiasm	82.9	73.7	10.0	1
Invest in Energy	82.9	73.7	10.0	1
Invest in Spirit	82.9	73.7	10.0	1
Invest in Soul	82.9	73.7	10.0	1
Invest in Heart	82.9	73.7	10.0	1
Invest in Mind	82.9	73.7	10.0	1
Invest in Body	82.9	73.7	10.0	1
Invest in Spirituality	82.9	73.7	10.0	1
Invest in Religion	82.9	73.7	10.0	1
Invest in Faith	82.9	73.7	10.0	1
Invest in Hope	82.9	73.7	10.0	1
Invest in Love	82.9	73.7	10.0	1
Invest in Mercy	82.9	73.7	10.0	1
Invest in Grace	82.9	73.7	10.0	1
Invest in Peace	82.9	73.7	10.0	1
Invest in Joy	82.9	73.7	10.0	1
Invest in Happiness	82.9	73.7	10.0	1
Invest in Well-being	82.9	73.7	10.0	1
Invest in Health	82.9	73.7	10.0	1
Invest in Wealth	82.9	73.7	10.0	1
Invest in Success	82.9	73.7	10.0	1
Invest in Prosperity	82.9	73.7	10.0	1
Invest in Abundance	82.9	73.7	10.0	1
Invest in Fulfillment	82.9	73.7	10.0	1
Invest in Satisfaction	82.9	73.7	10.0	1
Invest in Contentment	82.9	73.7	10.0	1
Invest in Harmony	82.9	73.7	10.0	1
Invest in Balance	82.9	73.7	10.0	1
Invest in Unity	82.9	73.7	10.0	1
Invest in Connection	82.9	73.7	10.0	1
Invest in Relationship	82.9	73.7	10.0	1
Invest in Community	82.9	73.7	10.0	1
Invest in Society	82.9	73.7	10.0	1
Invest in Culture	82.9	73.7	10.0	1
Invest in Tradition	82.9	73.7	10.0	1
Invest in Heritage	82.9	73.7	10.0	1
Invest in History	82.9	73.7	10.0	1
Invest in Memory	82.9	73.7	10.0	1
Invest in Experience	82.9	73.7	10.0	1
Invest in Knowledge	82.9	73.7	10.0	1
Invest in Wisdom	82.9	73.7	10.0	1
Invest in Understanding	82.9	73.7	10.0	1
Invest in Insight	82.9	73.7	10.0	1
Invest in Awareness	82.9	73.7	10.0	1

**IRELAND (SIB RECOGNISED)**[illegible]

**IRELAND (REGULATED) (\*\*)**

AIG Fund Management Ltd			
AIG Global Funds Unit (Worldwide Fund)			
AIG Global Funds Unit (Worldwide Fund)			
US Money Market Fund	\$1,094.00	2.00%	---
Affiliated Fund P/c			
NAV Sep 25	\$1,095.07		0.00%
Argentina European Hedge Fund (a)			0.00%
NAV	\$2.32		---
Asia Small Cos Growth Fund P/c			0.00%
NAV	\$2.84		+0.02%
Asia Dynamic Growth Fund P/c			
NAV	\$10.84		+0.11%
Asia Diversified Equity Fund P/c			
NAV	\$2.32		+0.22%
Asia Emerging Markets Fund P/c			
NAV	\$5.31		-0.01%
Asia Gateway Fund P/c			
NAV	\$5.99		---
Asia Growth Fund P/c			
NAV	\$5.55		+0.34%
Asia Korea Fund			
NAV	\$10.80		---
Atlanta Korean Smaller Companies Fund			

## Chemical Ireland Fund Administrators Ltd

[illegible]**ISLE OF MAN (REGULATED)**[illegible]**JERSEY (SIB RECOGNISED)**

<b>AIG Fund Managers (C) Ltd</b> PO Box 400 St. Robert, Jersey 01534 88	
100% Equity 100% Dividend 100% Growth 100% Yield 100% Capital 100% Funded 100% Assets 100% Liabilities 100% Net Worth 100% Solvency 100% Liquidity 100% Stability 100% Security 100% Reliability 100% Integrity 100% Honesty 100% Transparency 100% Accountability 100% Responsibility 100% Sustainability 100% Viability 100% Feasibility 100% Profitability 100% Growth 100% Innovation 100% Creativity 100% Flexibility 100% Adaptability 100% Resilience 100% Endurance 100% Longevity 100% Success 100% Achievement 100% Excellence 100% Perfection 100% Mastery 100% Expertise 100% Proficiency 100% Competence 100% Capability 100% Potential 100% Possibility 100% Probability 100% Certainty 100% Confidence 100% Assurance 100% Guarantee 100% Warranty 100% Support 100% Service 100% Quality 100% Value 100% Satisfaction 100% Loyalty 100% Commitment 100% Dedication 100% Passion 100% Enthusiasm 100% Energy 100% Motivation 100% Inspiration 100% Vision 100% Mission 100% Purpose 100% Meaning 100% Impact 100% Legacy 100% Reputation 100% Brand 100% Image 100% Identity 100% Culture 100% Values 100% Principles 100% Standards 100% Guidelines 100% Policies 100% Procedures 100% Processes 100% Systems 100% Structures 100% Frameworks 100% Models 100% Templates 100% Examples 100% References 100% Sources 100% Data 100% Information 100% Knowledge 100% Wisdom 100% Understanding 100% Awareness 100% Recognition 100% Appreciation 100% Respect 100% Honor 100% Dignity 100% Pride 100% Self-respect 100% Self-worth 100% Self-esteem 100% Self-confidence 100% Self-belief 100% Self-trust 100% Self-reliance 100% Self-sufficiency 100% Self-empowerment 100% Self-actualization 100% Self-fulfillment 100% Self-achievement 100% Self-realization 100% Self-actualization 100% Self-fulfillment 100% Self-achievement 100% Self-realization	100% Equity 100% Dividend 100% Growth 100% Yield 100% Capital 100% Funded 100% Assets 100% Liabilities 100% Net Worth 100% Solvency 100% Liquidity 100% Stability 100% Security 100% Reliability 100% Integrity 100% Honesty 100% Transparency 100% Accountability 100% Responsibility 100% Sustainability 100% Viability 100% Feasibility 100% Profitability 100% Growth 100% Innovation 100% Creativity 100% Flexibility 100% Adaptability 100% Resilience 100% Endurance 100% Longevity 100% Success 100% Achievement 100% Excellence 100% Perfection 100% Mastery 100% Expertise 100% Proficiency 100% Competence 100% Capability 100% Potential 100% Possibility 100% Probability 100% Certainty 100% Confidence 100% Assurance 100% Guarantee 100% Warranty 100% Support 100% Service 100% Quality 100% Value 100% Satisfaction 100% Loyalty 100% Commitment 100% Dedication 100% Passion 100% Enthusiasm 100% Energy 100% Motivation 100% Inspiration 100% Vision 100% Mission 100% Purpose 100% Meaning 100% Impact 100% Legacy 100% Reputation 100% Brand 100% Image 100% Identity 100% Culture 100% Values 100% Principles 100% Standards 100% Guidelines 100% Policies 100% Procedures 100% Processes 100% Systems 100% Structures 100% Frameworks 100% Models 100% Templates 100% Examples 100% References 100% Sources 100% Data 100% Information 100% Knowledge 100% Wisdom 100% Understanding 100% Awareness 100% Recognition 100% Appreciation 100% Respect 100% Honor 100% Dignity 100% Pride 100% Self-respect 100% Self-worth 100% Self-esteem 100% Self-confidence 100% Self-belief 100% Self-trust 100% Self-reliance 100% Self-sufficiency 100% Self-empowerment 100% Self-actualization 100% Self-fulfillment 100% Self-achievement 100% Self-realization 100% Self-actualization 100% Self-fulfillment 100% Self-achievement 100% Self-realization
<b>Berkeley International Funds</b> PO Box 100 St. Robert, Jersey 01534 81	
<b>Charmers Funds</b> 100% Equity 100% Dividend 100% Growth 100% Yield 100% Capital 100% Funded 100% Assets 100% Liabilities 100% Net Worth 100% Solvency 100% Liquidity 100% Stability 100% Security 100% Reliability 100% Integrity 100% Honesty 100% Transparency 100% Accountability 100% Responsibility 100% Sustainability 100% Viability 100% Feasibility 100% Profitability 100% Growth 100% Innovation 100% Creativity 100% Flexibility 100% Adaptability 100% Resilience 100% Endurance 100% Longevity 100% Success 100% Achievement 100% Excellence 100% Perfection 100% Mastery 100% Expertise 100% Proficiency 100% Competence 100% Capability 100% Potential 100% Possibility 100% Probability 100% Certainty 100% Confidence 100% Assurance 100% Guarantee 100% Warranty 100% Support 100% Service 100% Quality 100% Value 100% Satisfaction 100% Loyalty 100% Commitment 100% Dedication 100% Passion 100% Enthusiasm 100% Energy 100% Motivation 100% Inspiration 100% Vision 100% Mission 100% Purpose 100% Meaning 100% Impact 100% Legacy 100% Reputation 100% Brand 100% Image 100% Identity 100% Culture 100% Values 100% Principles 100% Standards 100% Guidelines 100% Policies 100% Procedures 100% Processes 100% Systems 100% Structures 100% Frameworks 100% Models 100% Templates 100% Examples 100% References 100% Sources 100% Data 100% Information 100% Knowledge 100% Wisdom 100% Understanding 100% Awareness 100% Recognition 100% Appreciation 100% Respect 100% Honor 100% Dignity 100% Pride 100% Self-respect 100% Self-worth 100% Self-esteem 100% Self-confidence 100% Self-belief 100% Self-trust 100% Self-reliance 100% Self-sufficiency 100% Self-empowerment 100% Self-actualization 100% Self-fulfillment 100% Self-achievement 100% Self-realization 100% Self-actualization 100% Self-fulfillment 100% Self-achievement 100% Self-realization	
<b>Courts &amp; Co (Jersey) Fund Managers Ltd</b> 100% Equity 100% Dividend 100% Growth 100% Yield 100% Capital 100% Funded 100% Assets 100% Liabilities 100% Net Worth 100% Solvency 100% Liquidity 100% Stability 100% Security 100% Reliability 100% Integrity 100% Honesty 100% Transparency 100% Accountability 	

## LUXEMBOURG (SIB RECOGNISED)

[illegible]

## LUXEMBOURG (REGULATED)\*\*

Active International Under Fund (a)			
Growth Funds			
Asian Growth Equity	88.36	+0.18	9
Asian Growth Fund	70.53	+0.18	9
Asian Growth Fund II	70.53	+0.18	9
Automated Equity	51.69	+0.18	9
Automated Growth	51.69	+0.18	9
Automated Growth II	51.69	+0.18	9
Automated Growth III	51.69	+0.18	9
Automated Growth IV	51.69	+0.18	9
Automated Growth V	51.69	+0.18	9
Automated Growth VI	51.69	+0.18	9
Automated Growth VII	51.69	+0.18	9
Automated Growth VIII	51.69	+0.18	9
Automated Growth IX	51.69	+0.18	9
Automated Growth X	51.69	+0.18	9
Automated Growth XI	51.69	+0.18	9
Automated Growth XII	51.69	+0.18	9
Automated Growth XIII	51.69	+0.18	9
Automated Growth XIV	51.69	+0.18	9
Automated Growth XV	51.69	+0.18	9
Automated Growth XVI	51.69	+0.18	9
Automated Growth XVII	51.69	+0.18	9
Automated Growth XVIII	51.69	+0.18	9
Automated Growth XIX	51.69	+0.18	9
Automated Growth XX	51.69	+0.18	9
Automated Growth XXI	51.69	+0.18	9
Automated Growth XXII	51.69	+0.18	9
Automated Growth XXIII	51.69	+0.18	9
Automated Growth XXIV	51.69	+0.18	9
Automated Growth XXV	51.69	+0.18	9
Automated Growth XXVI	51.69	+0.18	9
Automated Growth XXVII	51.69	+0.18	9
Automated Growth XXVIII	51.69	+0.18	9
Automated Growth XXIX	51.69	+0.18	9
Automated Growth XXX	51.69	+0.18	9
Automated Growth XXXI	51.69	+0.18	9
Automated Growth XXXII	51.69	+0.18	9
Automated Growth XXXIII	51.69	+0.18	9
Automated Growth XXXIV	51.69	+0.18	9
Automated Growth XXXV	51.69	+0.18	9
Automated Growth XXXVI	51.69	+0.18	9
Automated Growth XXXVII	51.69	+0.18	9
Automated Growth XXXVIII	51.69	+0.18	9
Automated Growth XXXIX	51.69	+0.18	9
Automated Growth XL	51.69	+0.18	9
Automated Growth XLI	51.69	+0.18	9
Automated Growth XLII	51.69	+0.18	9
Automated Growth XLIII	51.69	+0.18	9
Automated Growth XLIV	51.69	+0.18	9
Automated Growth XLV	51.69	+0.18	9
Automated Growth XLVI	51.69	+0.18	9
Automated Growth XLVII	51.69	+0.18	9
Automated Growth XLVIII	51.69	+0.18	9
Automated Growth XLIX	51.69	+0.18	9
Automated Growth L	51.69	+0.18	9
Automated Growth LI	51.69	+0.18	9
Automated Growth LII	51.69	+0.18	9
Automated Growth LIII	51.69	+0.18	9
Automated Growth LIV	51.69	+0.18	9
Automated Growth LV	51.69	+0.18	9
Automated Growth LVI	51.69	+0.18	9
Automated Growth LVII	51.69	+0.18	9
Automated Growth LVIII	51.69	+0.18	9
Automated Growth LIX	51.69	+0.18	9
Automated Growth LX	51.69	+0.18	9
Automated Growth LXI	51.69	+0.18	9
Automated Growth LXII	51.69	+0.18	9
Automated Growth LXIII	51.69	+0.18	9
Automated Growth LXIV	51.69	+0.18	9
Automated Growth LXV	51.69	+0.18	9
Automated Growth LXVI	51.69	+0.18	9
Automated Growth LXVII	51.69	+0.18	9
Automated Growth LXVIII	51.69	+0.18	9
Automated Growth LXIX	51.69	+0.18	9
Automated Growth LXX	51.69	+0.18	9
Automated Growth LXXI	51.69	+0.18	9
Automated Growth LXXII	51.69	+0.18	9
Automated Growth LXXIII	51.69	+0.18	9
Automated Growth LXXIV	51.69	+0.18	9
Automated Growth LXXV	51.69	+0.18	9
Automated Growth LXXVI	51.69	+0.18	9
Automated Growth LXXVII	51.69	+0.18	9
Automated Growth LXXVIII	51.69	+0.18	9
Automated Growth LXXIX	51.69	+0.18	9
Automated Growth LXXX	51.69	+0.18	9
Automated Growth LXXXI	51.69	+0.18	9
Automated Growth LXXXII	51.69	+0.18	9
Automated Growth LXXXIII	51.69	+0.18	9
Automated Growth LXXXIV	51.69	+0.18	9</

**JERSEY (REGULATED) (100%)**

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**ISLE OF MAN** (SEB RECOGNISED)

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● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

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## WORLD STOCK MARKETS

## NORTH AMERICA

UNITED STATES (Oct 13 / US\$)

Oct 13

Oct 12

Oct 11

Oct 10

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WORLD STOCK MARKETS

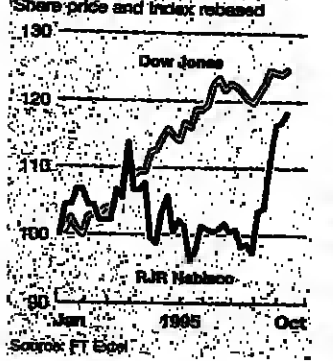
# AMERICA Lift in bonds takes equities higher again

## Wall Street

US stocks were sharply better yesterday, spurred mainly by an unexpectedly strong bond market, writes Tony Jackson in New York.

The lift in bonds was attributed to a drop in yields to a technically attractive level. In addition, the gains offered a reaction to yesterday's encouraging figures on inflation and retail sales. The yield on the long bond dropped from 6.4 per cent to 6.3 per cent, the lowest level since February of last year.

## FT Nabisco



The Dow Jones Industrial Average was up 32.61 at 1 pm, nudging the 4,800 mark at 4,797.39, in volume of 222m shares. The broader Standard & Poors 500 index was up 2.71 at 585.81, while the American stock exchange index was up 2.27 at \$34.07. The Nasdaq index was up 4.96 at 1,020.57.

The 2.5 per cent rise in the consumer price index for September continued the decline from the 3.2 per cent peak seen in May, and was combined with a rise in retail sales in the third quarter of 1.9 per cent, compared to the 1.2 per cent gain in the second quarter.

Analysts at Deutsche Morgan Grenfell/C.J. Lawrence said that the rise of only 1.5 per cent in goods prices pointed to a sharp disinflationary trend, while the higher rate of 3.4 per cent for services appeared to be dropping towards 3 per cent.

The recovery in high-tech

stocks continued, helped by Thursday's strong figures from the chip maker, Texas Instruments. Apple Computer was up \$14 at \$36.4, while Sun Microsystems rose \$1 to \$36. America Online was up \$2 to \$36. Netscape, another stock associated with the Internet, was up \$2 to \$58. Microsoft rose \$4 to \$37. Texas Instruments itself fell \$2 to \$72. On profit taking.

Among Big Board stocks, Caterpillar rose 1% to \$55.4 ahead of next Monday's results. Other blue-chip gains included Exxon, up 3% at \$74.4, and Union Carbide, up 1% at \$33.4.

Whirlpool, which yesterday reported third quarter earnings depressed by intense competition in Europe, dropped only 1% to \$53.7. The stock, which was hit by a second quarter profits warning in June, had been weak in recent weeks as the market braced itself for further bad news.

RJR Nabisco, which said yesterday that it would take a \$150m charge in its fourth quarter for job losses in its tobacco business, rose 3% to \$32.7. Analysts saw the move as a sensible response to slipping market share, and welcomed the company's estimate of annual savings of \$150m.

## Canada

Toronto shook off its traditional October lethargy in mid-day trade and the TSE-300 composite index rose 18.64 by noon to 4,495.26 in heavy volume of 31.1m shares.

Diamond Fields Resources, which owns a stake in the Voisey Bay nickel project, rose 3% to \$23.4 as it said that talks were going well with native groups claiming historic title to land around the project.

Royal Bank of Canada picked up 1% to \$33.00 and Toronto-Dominion Bank was 3% ahead at \$23.7.

Losing stocks included the gold giant, Placer Dome, down 3% at \$32.7. Alberta Natural Gas plunged 4% to \$19.4 after TransCanada Pipelines said it would not make an offer to acquire the 51 per cent that it does not already own.

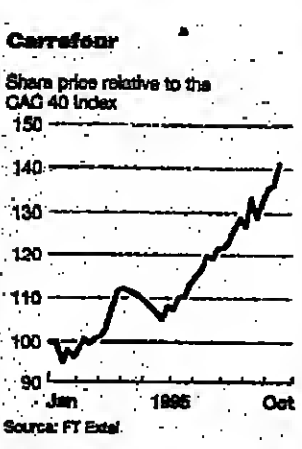
# EUROPE Reservations as futures drive Frankfurt ahead

Extended gains in US stocks, higher bond markets and, finally, a lift in the dollar gave bourses every excuse to improve, writes Our Markets Staff. But there were reservations in FRANKFURT, the top performer of the day with the Dax index up 46.38 at an all-time high of 2,206.11.

Mr Jens Wierckx, head of institutional sales at Merck Finck in Düsseldorf, said that the market was driven by Dax futures and associated technical factors: a third attack on the sub-2,200 level had taken the Dax below 2,200 at one point on Tuesday, after that, he said, there had been no further reason to sell, speculators had to cover their short positions and the key index escalated.

The Dax rose 1.4 per cent on the week. Allianz, an index heavyweight and a prime target in market operations like these, put on DM72 at DM2,805. SAP reported a new entry into the Dax 80, but also heavily weighted, closed DM122.5, or 5.6 per cent higher at DM231.30 ahead of next Wednesday's nine-month progress report.

Turnover moved up from DM5.2bn to DM5.4bn. Among other outperformers, Linde rose DM26 to DM277.50, professionals blaming a thin market for the fork lift specialist. Underperformers included Weru, the window maker,



Source: FT Data

down DM53, or 7.4 per cent to DM661 after Thursday's announcement that annual sales would fall below plan.

PARIS huddled on Thursday's gains and the CAC-40 index moved up 13.28 to 1,817.08, up 0.5 per cent on the week.

J.P. Morgan yesterday cut its December 1995 target for the CAC-40 from 2,250 to 1,900 and said it was moving its long-term view on the market from overweight to underweight. "France is expected to experience one of the slowest growth rates in Europe next year, which must put at risk analysts' earnings forecasts," the broker said.

Carrefour accelerated to a new high for the year, gaining FF36 to FF3,005, off a session high of FF3,019, which

brought its gain on the year to date to 26 per cent. Mr Charles Allen at Merrill Lynch in London remarked that the retailer had been benefiting from "astonishing profits growth in France, while longer-term support was being provided by overseas expansion". Mr Pascal Hantouche of Robert Fleming in Paris thought the company's expansion into Central and Latin America and south-east Asia was the key to the acceleration in profitability. He forecast an eps growth "close to 25 per cent over the 1994 to 1997 period". Elsewhere in retailing, Promodes rose FF19 to FF1,251.

Havas, which lowered its 1995 growth forecasts for the domestic advertising market to 4.6 per cent from 4.7 per cent, fell FF15.20 to FF341.30.

ZURICH finished at a third consecutive high for the year, a firmer dollar providing solid support. The SMI index picked up 25.5 to 3,103.2 for a 1.8 per cent rise on the week.

The pharmaceuticals sector continued to star after this week's third quarter figures from Roche and Ciba.

Ciba rose SF14 to an all time high of SF968 as Mr Mark Tracey at Goldman Sachs raised his earnings estimates because, he said, the more significant businesses like pharmaceuticals, crop protection and animal health were exceeding expectations. He also

## FT-SE Actuarial Share Indices

Oct 13		THE EUROPEAN SERIES									
Hourly changes		Open	11.30	12.00	12.30	13.00	14.00	15.00	Close		
FT-SE Benchmark 100		1415.10	1415.10	1415.10	1415.10	1415.10	1415.10	1417.37	1420.12	1421.14	1421.58
FT-SE Benchmark 250		1422.42	1423.33	1423.88	1424.04	1424.45	1427.30	1432.44	1431.58		
		Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6			
FT-SE Benchmark 100		1405.08	1382.12	1377.54	1386.45	1386.45	1401.81				
FT-SE Benchmark 250		1514.08	1508.28	1493.88	1463.82	1471.77	1508.28				
Data from participating providers: XOF = 147.72, XON = 139.72, Xaud = 144.81, XUSD = 129.37, XJPY = 126.82, XHKD = 1.78											

raised the 12-month target price for the stock from SFr1,080 to SFr1,125.

Rothco certificates picked up SFr40 to SFr6,390 and Sandox was Sfr15 higher at SFr321 as expectations rose ahead of its third quarter figures due next Thursday.

Financials also remained in focus, Swiss Re and UBS each picking up SFr15 to SFr1,230 and SFr1,223 respectively.

Nestlé finished Sfr4 easier at SFr1,156. This followed reports

per cent next year, an increase in the country's industrial competitiveness; and encouragement from firmer US markets. "The fact that the Dutch market provides secular earnings growth opportunities, as well as good exit visibility, should mean that the market should be re-rated upwards in this atmosphere of increasing worries over cyclical earnings," said the broker.

KNIP BT was among the best of the session's performers, rising







LONDON STOCK EXCHANGE

MARKET REPORT

Footsie teeters at brink of record closing high

By Peter John

At first sight, equity markets shunned the superstition surrounding yesterday's date. London surged ahead to shimmer below its previous record close and New York powered forward to within easy reach of a new high.

But, below the roar generated by takeover enthusiasm and a clutch of non-inflationary economic numbers, marketmakers were deeply nervous.

"If there was ever a Friday 13 market, this was it," said one senior arbitrage specialist. "Markets are driven by fear and greed at the best of times but this is silly."

Skittishness over the high valuations in equities was reflected by the past week's volatility. The futures contract on the FT-SE 100 index swung around 171 points from its low on Tuesday to its high on Friday afternoon. And the cash index rose of 41.5 points over the week despite a shift of 110 points between high and low.

Yesterday, the Footsie closed a net 44.2 higher at 3,588.0, just three points below the previous all-time high achieved a month ago. The FT-SE Mid 250 Index, which is less driven by international factors, rose only 8.9 to 3,945.3.

In the morning, US stocks traded in London were indicating a weak

opening on Wall Street. The UK market moved forward as market-makers sought to clear short positions and clear their trading books for the weekend.

Then, after lunch, US consumer prices came in below consensus forecasts and retail sales were revised down for the previous month. Relief that the two sets of statistics were not hinting at any inflationary problems sent the Dow back towards a record high, from where it shows a gain of more than 1,100 points in less than a year. US Treasury bonds also leapt forward to levels not seen since February 1994.

Stocks in London motored ahead

and were up more than 60 points at best before caution began to take over.

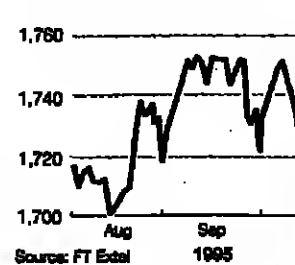
The energy was reflected by the volume of shares going through the system. Turnover of 683.7m shares at 6 pm was up on Thursday's level, when genuine customer or retail business was worth some £2bn.

Economists are now having to address the perennial question - where does it go from here?

One house was suggesting that another £12bn would be pumped in to the market by the end of the year as a result of takeovers and mergers.

However, even the most optimistic of forecasters are beginning to

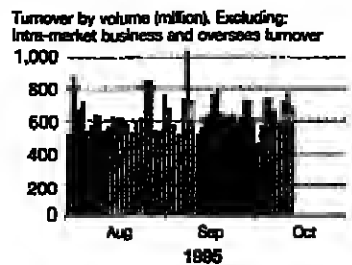
FT-SE-A All-Share Index



Indices and ratios

FT-SE Mid 250	3945.3	+8.9
FT-SE-A 350	1778.0	+18.0
FT-SE-A All-Share	1754.15	+18.73
FT-SE-A All-Share yield	3.80	(3.84)
FT Ordinary Index	2628.8	+27.3
FT-SE-A Non Fins p/e	17.04	(18.88)
FT-SE 100 Div Dec	3592.0	+37.5
10 yr Gilt yield	8.06	(8.14)
Long gilt/equity yield ratio	2.20	(2.20)

Equity shares traded



FT-SE 100 Index

Closing Index for	3588.0
Change over week	+41.5
Sep 12	3523.8
Sep 11	3474.3
Sep 10	3460.1
Sep 9	3510.3
High	3584.7
Low	3442.5

\*Intra-day high and low for week

TRADING VOLUME IN MAJOR STOCKS

Stock	Vol.	Closing	Days
ASDA Group	1,200	410	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6

EQUITY FUTURES AND OPTIONS TRADING

Stock	Vol.	Closing	Days
ASDA Group	1,200	410	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6
Asda Retail	8,900	105	+6

Forté up on broker rethink

Turnover in UK hotels group Forté jumped to 11m and the shares hardened 5 to 34p as a leading securities house executed a dramatic change of recommendation.

NatWest Securities changed its stance after more than two years of being strongly negative especially on accounting policy at the company.

Yesterday NatWest upgraded its recommendation from "hold" to "buy".

Sentiment in the stock has been improving recently and last month the group announced it was hoping to sell its US Travelodge chain of 490 hotels at a healthy premium to the book value of \$150m.

Bid talk

Bid speculation was again the spur for the sharp advance seen in financial stocks, as a hectic week of trading in the banking and insurance sectors drew to a close.

Schroders, the merchant bank, advanced 88 to 138p, to make it the day's best performing stock, on a combination of renewed bid talk and what some said was a simple squeeze.

One analyst pointed out that interest in the stock had also emerged from investors focusing on the value in fund management groups following the recent bid speculation in Gartmore. Analysts expect Schroders will earn around 50 per cent of group profits from its fund management division this year. Gartmore added another 3 to end the week at 292p as speculation turned to National Westminster as a possible suitor for the group.

Shares in National Westminster jumped 18 to 639p, after trade of 5.1m, as BZW turned more positive on the stock and upgraded it from a sell to a hold recommendation.

The retail bank held a presentation at BZW on Thursday. Investment bank analysts present said they were encouraged by the "cost controls, the group's strategic direction, and the improvements made to

NEW HIGHS AND LOWS FOR 1995

Stock	High	Low
ASDA Group	1,200	410
Asda Retail	8,900	105
Asda Retail	8,900	105
Asda Retail	8,900	105
Asda Retail	8,900	105
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Asda Retail	8,900	105
Asda Retail	8,900	105
Asda Retail	8,900	105
Asda Retail	8,900	105
Asda Retail	8,900	105

CHIEF PRICE CHANGES

Stock	Change
ASDA Group	1,200
Asda Retail	8,900
Asda Retail	8,900
Asda Retail	8,900
Asda Retail	8,900
Asda Retail	8,900
Asda Retail	8,900
Asda Retail	8,900
Asda Retail	8,900
Asda Retail	8,900
Asda Retail	8,900

FT-SE Actuarial Share Indices

Index	Value
FT-SE 100	3588.0
FT-SE Mid 250	3945.3
FT-SE-A 350	1778.0
FT-SE-A All-Share	1754.15
FT-SE-A All-Share yield	3.80
FT Ordinary Index	2628.8
FT-SE-A Non Fins p/e	17.04
FT-SE 100 Div Dec	3592.0
10 yr Gilt yield	8.06
Long gilt/equity yield ratio	2.20

The UK Series

Series	Value
FT-SE 100	3588.0
FT-SE Mid 250	3945.3
FT-SE-A 350	1778.0
FT-SE-A All-Share	1754.15
FT-SE-A All-Share yield	3.80
FT Ordinary Index	2628.8
FT-SE-A Non Fins p/e	17.04
FT-SE 100 Div Dec	3592.0
10 yr Gilt yield	8.06
Long gilt/equity yield ratio	2.20

Hourly movements

Index	Open	Close
FT-SE 100	3588.0	3588.0
FT-SE Mid 250	3945.3	3945.3
FT-SE-A 350	1778.0	1778.0
FT-SE-A All-Share	1754.15	1754.15

FT-SE Actuarial 350 Industry baskets

Index	Open	Close
FT-SE 100	3588.0	3588.0
FT-SE Mid 250	3945.3	3945.3
FT-SE-A 350	1778.0	1778.0
FT-SE-A All-Share	1754.15	1754.15

Hourly movements

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Hourly movements

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FT-SE Actuarial 350 Industry baskets

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Hourly movements

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FT-SE-A All-Share	1754.15	1754.15

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Index	Open	Close
FT-SE 100	3588.0	3588.0
FT-SE Mid 250	3945.3	3945.3
FT-SE-A 350	1778.0	1778.0
FT-SE-A All-Share	1754.15	1754.15



## CHEMICALS

[illegible]

## DISTRIBUTORS

[illegible]

State	Days
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[illegible]

## DIVERSIFIED INDUSTRIALS

General Services	192	318	187	145	254	353	5.3
Information Services	19	10	389	24	361	369.6	5.3
Transportation	22	22	226	255	38	58.9	49
Medical Supplies	22	22	226	255	38	58.9	49
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
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Medical Supplies	15	121	113	90	149	90	0
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Medical Supplies	15	121	113	90	149	90	0
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Medical Supplies	15	121	113	90	149	90	0
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Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113	90	149	90	0
Medical Equipment	15	121	113	90	149	90	0
Medical Supplies	15	121	113	90	149	90	0
Medical Services	15	121	113				

## ELECTRICITY

	1985	1986	1987	1988	1989
Gas	366	360	315	362	2.6
Oil	2748	+1	360	241	5.1
Electricity	2748	+1	360	241	5.1
Coal	321	+1	285	186	5.6
Gas	321	+1	285	186	5.6
Oil	1282	+1	197	120	7.9

## ELECTRICITY

	1985	1986	1987	1988	1989
Gas	366	360	315	362	2.6
Oil	2748	+1	360	241	5.1
Electricity	2748	+1	360	241	5.1
Coal	321	+1	285	186	5.6
Gas	321	+1	285	186	5.6
Oil	1282	+1	197	120	7.9

## ENGINEERING, VEHICLES

1990	215	17	784	491	1982	8.5	1
1991	215	17	784	491	1982	8.5	1
1992	215	17	784	491	1982	8.5	1
1993	215	17	784	491	1982	8.5	1
1994	215	17	784	491	1982	8.5	1
1995	215	17	784	491	1982	8.5	1
1996	215	17	784	491	1982	8.5	1
1997	215	17	784	491	1982	8.5	1
1998	215	17	784	491	1982	8.5	1
1999	215	17	784	491	1982	8.5	1
2000	215	17	784	491	1982	8.5	1
2001	215	17	784	491	1982	8.5	1
2002	215	17	784	491	1982	8.5	1
2003	215	17	784	491	1982	8.5	1
2004	215	17	784	491	1982	8.5	1
2005	215	17	784	491	1982	8.5	1
2006	215	17	784	491	1982	8.5	1
2007	215	17	784	491	1982	8.5	1
2008	215	17	784	491	1982	8.5	1
2009	215	17	784	491	1982	8.5	1
2010	215	17	784	491	1982	8.5	1
2011	215	17	784	491	1982	8.5	1
2012	215	17	784	491	1982	8.5	1
2013	215	17	784	491	1982	8.5	1
2014	215	17	784	491	1982	8.5	1
2015	215	17	784	491	1982	8.5	1
2016	215	17	784	491	1982	8.5	1
2017	215	17	784	491	1982	8.5	1
2018	215	17	784	491	1982	8.5	1
2019	215	17	784	491	1982	8.5	1
2020	215	17	784	491	1982	8.5	1
2021	215	17	784	491	1982	8.5	1
2022	215	17	784	491	1982	8.5	1
2023	215	17	784	491	1982	8.5	1
2024	215	17	784	491	1982	8.5	1
2025	215	17	784	491	1982	8.5	1
2026	215	17	784	491	1982	8.5	1
2027	215	17	784	491	1982	8.5	1
2028	215	17	784	491	1982	8.5	1
2029	215	17	784	491	1982	8.5	1
2030	215	17	784	491	1982	8.5	1
2031	215	17	784	491	1982	8.5	1
2032	215	17	784	491	1982	8.5	1
2033	215	17	784	491	1982	8.5	1
2034	215	17	784	491	1982	8.5	1
2035	215	17	784	491	1982	8.5	1
2036	215	17	784	491	1982	8.5	1
2037	215	17	784	491	1982	8.5	1
2038	215	17	784	491	1982	8.5	1
2039	215	17	784	491	1982	8.5	1
2040	215	17	784	491	1982	8.5	1
2041	215	17	784	491	1982	8.5	1
2042	215	17	784	491	1982	8.5	1
2043	215	17	784	491	1982	8.5	1
2044	215	17	784	491	1982	8.5	1
2045	215	17	784	491	1982	8.5	1
2046	215	17	784	491	1982	8.5	1
2047	215	17	784	491	1982	8.5	1
2048	215	17	784	491	1982	8.5	1
2049	215	17	784	491	1982	8.5	1
2050	215	17	784	491	1982	8.5	1
2051	215	17	784	491	1982	8.5	1
2052	215	17	784	491	1982	8.5	1
2053	215	17	784	491	1982	8.5	1
2054	215	17	784	491	1982	8.5	1
2055	215	17	784	491	1982	8.5	1
2056	215	17	784	491	1982	8.5	1
2057	215	17	784	491	1982	8.5	1
2058	215	17	784	491	1982	8.5	1
2059	215	17	784	491	1982	8.5	1
2060	215	17	784	491	1982	8.5	1
2061	215	17	784	491	1982	8.5	1
2062	215	17	784	491	1982	8.5	1
2063	215	17	784	491	1982	8.5	1
2064	215	17	784	491	1982	8.5	1
2065	215	17	784	491	1982	8.5	1
2066	215	17	784	491	1982	8.5	1
2067	215	17	784	491	1982	8.5	1
2068	215	17	784	491	1982	8.5	1
2069	215	17	784	491	1982	8.5	1
2070	215	17	784	491	1982	8.5	1
2071	215	17	784	491	1982	8.5	1
2072	215	17	784	491	1982	8.5	1
2073	215	17	784	491	1982	8.5	1
2074	215	17	784	491	1982	8.5	1
2075	215	17	784	491	1982	8.5	1
2076	215	17	784	491	1982	8.5	1
2077	215	17	784	491	1982	8.5	1
2078	215	17	784	491	1982	8.5	1
2079	215	17	784	491	1982	8.5	1
2080	215	17	784	491	1982	8.5	1
2081	215	17	784	491	1982	8.5	1
2082	215	17	784	491	1982	8.5	1
2083	215	17	784	491	1982	8.5	1
2084	215	17	784	491	1982	8.5	1
2085	215	17	784	491	1982	8.5	1
2086	215	17	784	491	1982	8.5	1
2087	215	17	784	491	1982	8.5	1
2088	215	17	784	491	1982	8.5	1
2089	215	17	784	491	1982	8.5	1
2090	215	17	784	491	1982	8.5	1
2091	215	17	784	491	1982	8.5	1
2092	215	17	784	491	1982	8.5	1
2093	215	17	784	491	1982	8.5	1
2094	215	17	784	491	1982	8.5	1
2095	215	17	784	491	1982	8.5	1
2096	215	17	784	491	1982	8.5	1
2097	215	17	784	491	1982	8.5	1
2098	215	17	784	491	1982	8.5	1
2099	215	17	784	491	1982	8.5	1
2100	215	17	784	491	1982	8.5	1
2101	215	17	784	491	1982	8.5	1
2102	215	17	784	491	1982	8.5	1
2103	215	17	784	491	1982	8.5	1
2104	215	17	784	491	1982	8.5	1
2105	215	17	784	491	1982	8.5	1
2106	215	17	784	491	1982	8.5	1
2107	215	17	784	491	1982	8.5	1
2108	215	17	784	491	1982	8.5	1
2109	215	17	784	491	1982	8.5	1
2110	215	17	784	491	1982	8.5	1
2111	215	17	784	491	1982	8.5	1
2112	215	17	784	491	1982	8.5	1
2113	215	17	784	491	1982	8.5	1
2114	215	17	784	491	1982	8.5	1
2115	215	17	784	491	1982	8.5	1
2116	215	17	784	491	1982	8.5	1
2117	215	17	784	491	1982	8.5	1
2118	215	17	784	491	1982	8.5	1
2119	215	17	784	491	1982	8.5	1
2120	215	17	784	491	1982	8.5	1
2121	215	17	784	491	1982	8.5	1
2122	215	17	784	491	1982	8.5	1
2123	215	17	784	491	1982	8.5	1
2124	215	17	784	491	1982	8.5	1
2125	215	17	784	491	1982	8.5	1
2126	215	17	784	491	1982	8.5	1
2127	215	17	784	491	1982	8.5	1
2128	215	17	784	491	1982	8.5	1
2129	215	17	784	491	1982	8.5	1
2130	215	17	784	491	1982	8.5	1
2131	215	17	784	491	1982	8.5	1
2132	215	17	784	491	1982	8.5	1
2133	215	17	784	491	1982	8.5	1
2134	215	17	784	491	1982	8.5	1
2135	215	17	784	491	1982	8.5	1
2136	215	17	784	491	1982	8.5	1
2137	215	17	784	491	1982	8.5	1
2138	215	17	784	491	1982	8.5	1
2139	215	17	784	491	1982	8.5	1
2140	215	17	784	491	1982	8.5	1
2141	215	17	784	491	1982	8.5	1
2142	215	17	784	491	1982	8.5	1
2143	215	17	784	491	1982	8.5	1
2144	215	17	784	491	1982	8.5	1
2145	215	17	784	491	1982	8.5	1
2146	215	17	784	491	1982	8.5	1
2147	215	17	784	491	1982	8.5	1
2148	215	17	784	491	1982	8.5	1
2149	215	17	784	491	1982	8.5	1
2150	215	17	784	491	1982	8.5	1
2151	215	17	784	491	1982	8.5	1
2152	215	17	784	491	1982	8.5	1
2153	215	17	784	491	1982	8.5	1
2154	215	17	784	491	1982	8.5	1
2155	215	17	784	491	1982	8.5	1
2156	215	17	784	491	1982	8.5	1
2157	215	17	784	491	1982	8.5	1
2158	215	17	784	491	1982	8.5	1
2159	215	17	784	491	1982	8.5	1
2160	215	17	784	491	1982	8.5	1
2161	215	17	784	491	1982	8.5	1
2162	215	17	784	491	1982	8.5	1
2163	215	17	784	491	1982	8.5	1
2164	215	17	784	491	1982	8.5	1
2165	215	17	784	491	1982	8.5	1
2166	215	17	784	491	1982	8.5	1
2167	215	17	784	491	1982	8.5	1
2168	215	17	784	491	1982	8.5	1
2169	215	17	784	491	1982	8.5	1
2170	215	17	784	491	1982	8.5	1
2171	215	17	784	491	1982	8.5	1
2172	215	17	784	491	1982	8.5	1
2173	215	17	784	491	1982	8.5	1
2174	215	17	784	491	1982	8	

## HOUSEHOLD GOODS

Prescription Drugs	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	
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**HOUSEHOLD GOODS - Cont.**

	Metric	Price	Inch
Galaxy	2x	34.17	81
Denby	2x	121	168
Edwards Blinds	v	18	38
Chief	2x	188	190
Pine Decor	2x	141.1	143
Castell	2x	428	448
HWI Inc	2x	160	200
La Grange FF	2x	186	223
Lambert	2x	24	5
Marbon	2x	233	233
McIntire	2x	377	685
Osborne L	2x	450	480
Parkson Tech	2x	388	420
AHV	2x	528	530

## INVESTMENT TRUSTS

Approved by the Island Revenue	Price	
419	420	
187	200	
101	186	
75	81	
24	82	
19	21	
67	84	
88	78	
27	41	
218	258	
136	139	
117	137	

U	279	--	292
U - 279	142	--	140

Category	2005	2006	2007
Advertising	457	472	472
Public Relations	102	105	105
Marketing	30	40	40
IT	122	135	135
Legal	170	175	175
Office Supplies	841	885	885
Travel	14	85	85
Utilities	128	151	151
Wages	17	162	162
Wages 2005	58	21	21
Wages 2006	205	214	214
Wages 2007	222	228	228
Wages 2008	341	353	353
Wages 2009	84	100	100
Wages 2010	60	21	21

## HEALTH CARE

[illegible]

	Notes	Price	+ or -
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	Notes	Price	+ or -
Alapung	2v	175	—
B.L.P.	2v	100	—
Billion Stars	2v	85	—
Black (P)	2v	25	—
Churchill (Coln)	2v	425	+2
Colfax & F	2v	75	—
Cornwall Prior A	2v	75	—
Craigmont Nest	v	150	—

**INVESTMENT TRUSTS - Cont.**[illegible]

## 16 \$ UK Smaller Cars 4w

[illegible]

Warrants .....  
Moorgate .....V  
Mortgage .....

[illegible]

Warrantis - - - - -  
Northwest Arch Co. Inc.

[illegible]

Explosion Est. ☐ 124

[illegible]

## IV TRUSTS SPLIT CAPITAL

Notes	Price	+ or -	1995	Yld	MAV	Div or Payout
covered by the Inland	Revenues	High	low			
North Gulf Inc. 7 1/2	222	-	68	17.1	14.8	200 -
North Gulf Inc. 7 1/2	222	-	228	158	-	-
North Gulf Inc. 7 1/2	201	-	211	245	3.8	310 -
North Gulf Inc. 7 1/2	181	-	161	192	16.1	904 - 15.0
North Gulf Inc. 7 1/2	284	-	265	262	-	-
North Gulf Inc. 7 1/2	430	-	385	385	68.1	39.9
North Gulf Inc. 7 1/2	30	-	34	3	27.8	-
North Gulf Inc. 7 1/2	4	-	4	4	-	-
North Gulf Inc. 7 1/2	114	-	114	96	-	-
North Gulf Inc. 7 1/2	150	-	150	15	22.8	-
North Gulf Inc. 7 1/2	150	-	150	15	42.2	63.3
North Gulf Inc. 7 1/2	150	-	150	15	42.2	63.3



**AEM - Cont.**[illegible]

doi:10.1017/S0022292412001619

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991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† *Interim since 1990*

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## Nobel committee says anti-nuclear award is rebuke to France

## Atomic scientist wins peace prize

By Bruce Clark,  
Diplomatic Correspondent

A Polish-born atomic scientist and co-founder of the campaign against nuclear weapons received the Nobel Peace Prize yesterday and insisted he and others like him were still needed to ward off the danger of Armageddon.

The prize was awarded jointly to Dr Joseph Rotblat, a soft-spoken 65-year-old who lives in the north London suburb of Cricklewood, and the Pugwash conference on science and world affairs which he helped to found.

"We are still needed although the danger of a nuclear confrontation is greatly reduced," said the prize-winner, who retains the accent of the country where he was born to Jewish parents in 1908.

In a decision which delighted anti-nuclear lobbyists throughout the western world but caused irritation in Paris, the Nobel Prize committee said the choice was a rebuke to France and China for carrying out nuclear tests. Ms Nicola Calvert, an analyst with the British American Security Information Council,

said anti-nuclear lobbies such as the council were delighted by the award which would keep their cause in the public eye.

The prize has aroused some negative reaction on the political right in France, although the French government officially congratulated Pugwash and ignored the Nobel Prize committee's barbs.

Like the late Soviet physicist Andrei Sakharov, Prof Rotblat was spurred to protest against the nuclear arms race by the pangs of conscience he felt over playing a part in producing deadly weapons.

In 1944, he abandoned his job on the US nuclear programme, based at Los Alamos, in part because he had concluded that the bomb would be used to intimidate the Soviet Union, rather than deter Germany, as he originally thought.

His horror deepened when atomic bombs were dropped on the Japanese cities of Hiroshima and Nagasaki: he had conceived them as a never-to-be-used deterrent aimed at forcing Nazi Germany to drop its own nuclear plans. "If Hitler had gotten the

bomb he would not have hesitated to use it," he once said. "But when I realised that the Hitlerites would not be able to develop an atomic bomb, I withdrew from the project immediately."

More recently, he has warned that US dreams of a space-based shield against nuclear weapons are technically unrealistic because any such system will still be penetrated by at least 10 per cent of rockets.

Prof Rotblat has generally preferred to work behind the scenes, helping to organise meetings between scientists which aim to be long on substance and relatively short on glossy public relations. But he is not above the occasional publicity stunt: he once drank a mildly radioactive liquid to prove that not all things nuclear were lethal.

Pugwash is the name of the village in Nova Scotia, Canada which in 1957 played host to the first in a series of discreet, informal meetings of scientists from various countries to discuss the arms race and other global problems. The Pugwash conferences were born out of a declaration in

1955 by 11 distinguished scientists and thinkers, including Albert Einstein and the British philosopher Bertrand Russell, which warned of the dangers of the hydrogen bomb.

Urging humanity to "learn to think in a new way" the manifesto posed the stark question: "Shall we put an end to the human race? Or shall mankind renounce war?"

Professor Francesco Kalogero, the Italian secretary-general of Pugwash, said he hoped the prize would help to revive a tradition of morally concerned scientists which has waned in recent years. "I hope there will be more Rotblats now," he said. However, in France, Mr Pierre Lehoucq, a prominent member of the Gaullist party, said the Soviet Union had tried to influence Pugwash during the cold war.

"I am absolutely scandalised," said Mr Lehoucq, who has been an influential adviser to President Jacques Chirac on nuclear matters. He said the Nobel Prize committee had a tendency to be swayed by popular fads, and "this time the fashion is anti-nuclear."

## THE LEX COLUMN

## Danube blues

The collapse of Austria's coalition government is the latest ill to befall investors in the country's underperforming stock market. The sale of the government's majority stake in Creditanstalt-Bankverein, the country's second largest bank, has been shelved on the verge of its completion.

But current lows do not represent a buying opportunity. The outcome of fresh elections could give rise to several combinations of minority parties, with varying attitudes to market-sensitive issues such as the EU and privatisation. There is plenty of room for further market declines if the schilling comes under pressure.

A swing to the right might be expected to advance the cause of privatisation. But there is a high chance that the rightwing Freedom party, absent from the previous coalition, would restrict foreign ownership. Moreover, the attitude to privatisation of the other two main parties, whose coalition broke down this week on disagreement over the budget, has been less than bullish.

Such political uncertainty makes the prospect of buying existing Creditanstalt shares unattractive, even though they are trading below net asset value. Given the overcapacity in Austrian banking and the opportunities for rationalisation, privatisation should in theory produce accelerated earnings. However, the danger is that a populist government would prevent the installation of an aggressive management team.

## UK banks

There is little doubt that there will be more mergers or takeovers in the UK's banking industry, and that investors who correctly identify targets stand to benefit. The snag is that prices have been artificially buoyed by bid speculation this week and could retrace recent gains if deals fail to materialise.

On some measures, the whole sector already looks stretched. Unusually, the banking sector is yielding slightly less than the market, having outperformed by nearly 17 per cent this year. However, given the strong earnings performance of the sector, share prices at around 11 times this year's earnings are still some way below the market average. Even Standard Chartered shares, up nearly 80 per cent this year, are still trading at 12 times 1995 earnings - hardly a bargain, but not wildly out of line.

Furthermore, there is some logic,

FT-SE Eurotrack 200:

1531.6 (+17.5)

Austria

ATX Index

1,075

1,050

1,025

1,000

975

950

925

900

Jan

1995

Oct

Source: FT Data

with another alternative to flotation. Corporate cash flow has grown with the UK economy, further boosting demand for trade sales. Moreover, there is easy access to debt capital at attractive rates. So there is less pressure to pursue flotations, particularly given the unenthusiastic reception of several lower quality offerings this year.

Nonetheless, the latest stockmarket rally and rising corporate activity among smaller companies should increase supply. And from January 1, companies will be freed from the obligation to offer new shares to the public. While Sid, the populist hero of early privatisation advertising, was good for government propaganda, he was also a significant flotation cost.

## Norwich Union

Norwich Union policy-holders should celebrate. They may not realise it, but when they bought their insurance policy they also bought a share of the business which sold it to them. Now the insurer is thinking of becoming a public company. If it does, its members stand to gain as much as £2bn-£3bn or £300-£1,200 a head. They may not receive cash - it is more likely to be ploughed back into their policies. But with this kind of money on offer, they are unlikely to be sentimental about change.

This is all to the good. It makes little sense for life assurance customers to own a business which sells much more than life insurance. Moreover, a business whose ownership is divided into 2.5m tiny parts is one which is, in practice, accountable to none. If Norwich becomes a public company, it will have to pay dividends. Constant scrutiny of its performance by institutional shareholders will keep the management on its toes.

Norwich is looking at change because it wants more freedom. As a public company, it would have access to fresh capital. That would let it buy other UK insurers, cutting out costs and helping rationalise the sector. Alternatively it could expand its overseas operations, reducing dependence on the tough UK market.

If Norwich does go public, it is unlikely to be the last to do so. Policyholders in other large mutual insurers will not want to be deprived of the financial gains. Nor will managements be able to stand in their way. As National & Provincial building society found, mutual status no longer means immunity from change.

## Alitalia chief refuses to quit

Continued from Page 1

made, but Mr Lamberto Dini, the Italian prime minister, warned at the time it threatened to undermine the government's attempts to hold down public sector pay.

Mr Schisano's aggressive US-style management approach has not gone down well with employees, although he has succeeded in pushing through some elements of the restructuring plan. The price has been severe disruption of services, until wildcat strikes by pilots in June prompted government intervention.

A three-month ban on strikes ended on September 30. Pilots agreed to continue to refrain from action, but the dispute has still not been resolved.

Italian newspapers suggested yesterday Mr Schisano could be temporarily replaced by Mr Renato Rivero, the airline's chairman, who has distanced himself from the chief executive's confrontational tactics.

## Major vows to make Britain 'enterprise centre' of Europe

By Robert Peston,  
Political Editor, in Blackpool

Mr John Major, the British prime minister yesterday spelled out the main plank of the ruling Conservative party's general election campaign as the creation of a low tax economy which would be the "enterprise centre of Europe".

In a confident speech at the end of the annual party conference, Mr John Major reaffirmed the Conservatives' traditional claim to be a "one nation" party representing the interests of the whole country, while putting forward right-wing policies which differentiated his party from the opposition Labour party.

Mr Major also prepared his party for the toughest election battle it has faced since 1974, the last time Labour won.

Knowing that Labour is com-

fortably ahead of the Conservatives in opinion polls, the prime minister said: "We're going to mount the fight of our lives. We're going to deliver the win of our lives."

Other important policy proposals in his speech included a crackdown on certain increased subsidies for the assisted places scheme so that more lower income families can send their children to private schools, and pension reform to allow those close to retirement to insure against prolonged ill-health.

On the European Union, the prime minister avoided the stridency of Mr Michael Portillo, the defence secretary, whose speech on Tuesday angered pro-European Tories with his claim the EU was trying to take control of national defence policies.

"I'm for Europe, not against it," Mr Major said. "And I intend

to argue for policies that will help it succeed". In a rebuke to Mr Portillo, the prime minister said he would advance Britain's "arguments firmly and courteously" and that it was important to use "imagination" to understand the feelings and motives of other EU countries.

But he made clear the government had adopted a more Euro-sceptic stance, saying closer political integration of EU countries "wouldn't work for us". If other EU members chose a federalist path, "Conservative Britain will not".

A new national police squad to combat organised crime, which will receive help from the security services, M15 and M16, would be created.

Tory conference reports, Page 4  
Editorial comment, Page 8  
See Lex

## Anti-jet lag drug faces ban

Continued from Page 1

and pharmacies, such as the B vitamins, that are 'medicinal by function' and yet do not require to be licensed."

So far no pharmaceutical company has applied for a licence for melatonin, because the hormone is a natural molecule without patent protection. It costs several million pounds to obtain all the clinical information about safety and efficacy that is required to register a new drug.

However several companies are now discussing with the MCA and the Food and Drug Admini-

stration, its US equivalent, ways in which melatonin could be licensed as a medicine.

A book, *The Melatonin Miracle*, is in US best-seller lists, and magazine articles and television have caused a huge increase in US sales. Yet the FDA, unlike the MCA, still tolerates melatonin as a nutritional supplement.

Dr Josephine Arendt, a leading melatonin researcher at the University of Surrey, said the hormone should be regulated as a drug, but the volume of the US melatonin market [in health shops] was now such that it might be "difficult to stop".

## Ford set for UK investment

Continued from Page 1

Ford, smaller than the Fiesta, to be released in about a year.

Based on the innovative Ka concept vehicle, the new vehicle will compete with sub-compact cars such as Renault's Twingo and a shortened version of General Motors' Corsa, which is expected to be launched in 1996.

The forecast rise in demand for the new Fiesta and the additional sales expected to be generated by the smaller model explain why Ford needed to raise production capacity for its new engine range. The Zetec SE engine will be the

workhorse for Ford's entire small car range.

It is only available in a 1.25 litre version at present but a 1.4 litre will follow early next year. Mr Richard Parry-Jones, head of Ford's small car development operations, said bigger variants would be developed.

Bridgend, which already builds 550,000 engines a year, makes the 1.4 and 1.6 litre engines used in the present Fiesta. Their demise will release capacity, not all of which will be absorbed by Ford's decision to build a new range of big V8 engines for its Jaguar subsidiary at the plant.

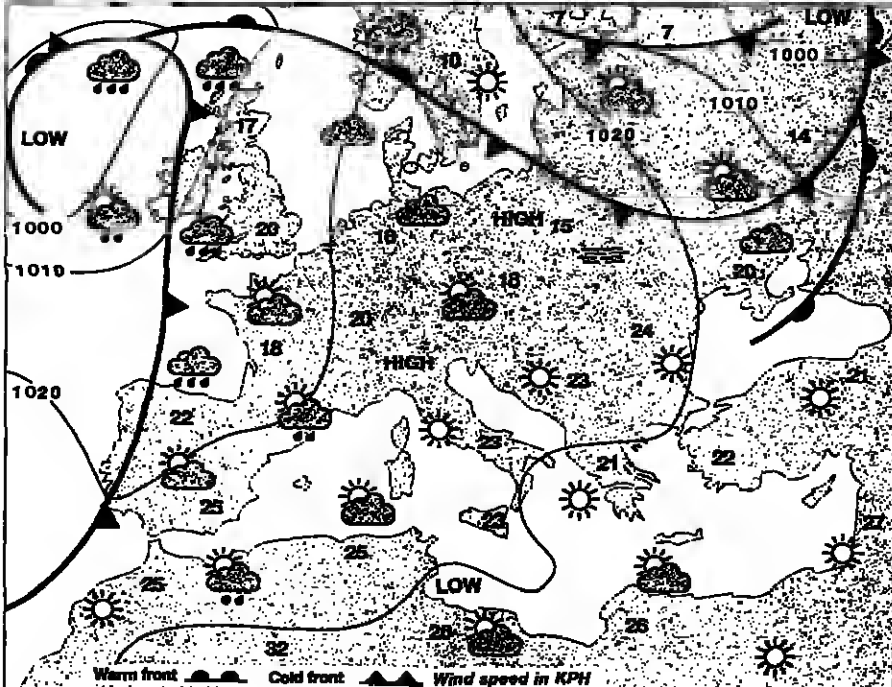
## FT WEATHER GUIDE

## Europe today

A ridge of high pressure will prevail from central Europe towards Scandinavia. During the night, fog will develop over the Benelux and Germany. It will lift in the afternoon when temperatures will range from 17C to 20C. England and Scotland will remain mainly dry until the afternoon when showers are expected. It will be sunny in France with showers in south-eastern areas. Hungary and the former Yugoslavia will be dry and sunny with temperatures ranging from 20C to 25C.

## Five-day forecast

A frontal zone will cross the continent bringing cloud and showers to France, the Benelux and Germany. The UK will remain unsettled with sunny periods. South-eastern Europe will remain sunny with occasional showers. On Sunday, high pressure will promote sunshine in Spain and southern France.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

## TODAY'S TEMPERATURES

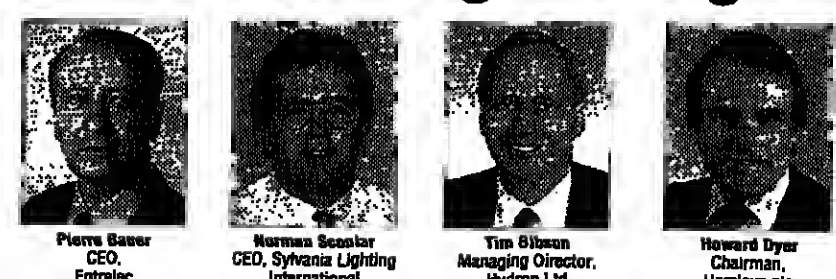
Maximum	Minimum	Forecast	Maximum	Minimum	Forecast	Maximum	Minimum	Forecast	Maximum	Minimum	Forecast
Abu Dhabi	36	sun	31	24	sun	Paris	17	12	cloudy	15	10
Algiers	25	sun	20	15	sun	Frankfurt	17	12	cloudy	15	10
Amsterdam	18	cloudy	13	8	cloudy	Geneva	17	12	cloudy	15	10
Athens	24	sun	19	14	sun	Glasgow	17	12	cloudy	15	10
Atlanta	27	sun	22	17	sun	Hamburg	17	12	cloudy	15	10
B. Aires	14	sun	9	4	sun	Helsinki	17	12	cloudy	15	10
B.ham	18	sun	13	8	sun	Hong Kong	27	22	sun	24	19
Bangkok	32	sun	27	22	sun	Honolulu	27	22	sun	24	19
Barcelona	22	sun	17	12	sun	Jakarta	27	22	sun	24	19
						Jersey	17	12	cloudy	15	10
						Kanari	27	22	sun	24	19
						Kuwait	37	32	sun	34	29
						L. Angeles	27	22	sun	24	19
						Las Palmas	27	22	sun	24	19
						Lima	27	22	sun	24	19
						Lisbon	27	22	sun	24	19
						London	17	12	cloudy	15	10
						Luxembourg	17	12	cloudy	15	10
						Lyon	17	12	cloudy	15	10
						Madrid	17	12	cloudy	15	10

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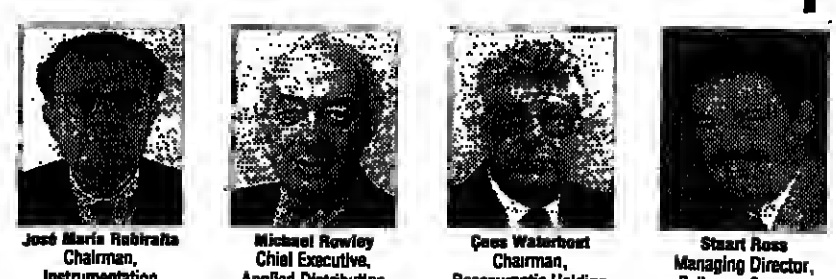
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# PERSPECTIVES

If there was one thing the Americans were sure of, it was that an American would win first prize at the 11th International Balloon Arts Convention in Chicago.

Competitors from around the world had gathered to create sculptures, table decorations and works of art from ordinary balloons and the hosts were not prepared for the prizes to be taken overseas.

Balloon sculpture and decoration originated in the US and, in the history of the competition, no foreigner had ever been named International Designer of the Year.

So when the title went to Northamptonshire florist Chris Horne, who only began balloon design work two years ago to save his business, the organisers had to send the electrical prizes back to the manufacturers for the voltage to be changed.

Balloons are proving the salvation of the small florist shop set up by Horne and his mother Freda 14 years ago.

He began his working life as a science teacher at a private school in Malvern, Worcestershire but, aged 33, headed in his notice at the end of the summer term, presented his mother with his final pay cheque - £240 - and said "let's set up a business".

He recalled: "We had talked for ages about running a florist shop so we started in a small way from my mother's house. We then converted two double garages alongside my father's general store on the edge of Northampton town centre."

When Horne married Julie in 1985, they bought a shop with a flat above in a small parade of shops, giving them two outlets. The shop below the flat soon became their only outlet, however, when Horne's father died six months later.

Since then, they have rented out the flat and bought a house nearby: "We couldn't stand living over the shop any more. People would ring at 6am on a Sunday morning and late at night. My mother helped us with the deposit in return for the rent from the flat."

Two years ago, things were not going well. "We have no passing trade to speak of here, but we developed a reputation for weddings. We were always being asked about balloons for the receptions and I would say 'go and see so and so'."

"Then I thought, this is ridiculous. So I went for a day's training course run by Inter-



Inflationary business: Chris Horne, part-owner of The Florist and Balloon Specialist Shop in Northampton, with his arrangements

Minding Your Own Business / Grania Langdon-Down

## The balloon goes up

flora Services in 1993 and it went mad from there. I should think the balloon side of the business is now about 60 per cent of our turnover."

Horne became a Certified Balloon Artist last October, adding to his qualification from the Society of Floristry, and in March he won the European Designer of the Year title at the European Balloon Symposium in Amsterdam, Netherlands. "The European award made a big difference to my confidence and to the people I was selling to."

He raised the £2,000 cost of attending the Chicago competition through sponsorship and from his own savings. Once

there, Horne and four volunteers worked for 23½ hours to create a sculpture of a 15ft wide English rose using 5,000 balloons.

"We finished with half an hour to spare, then we all burst into tears. I had come up with a new method of holding the balloons in place using garden netting. But I had never tried it out on such a big scale before so it was quite a moment when it floated up and held together perfectly."

Since the competition, an American company which makes release nets for balloons, has approached Horne to market his netting idea. Another spin-off from his inter-

national success has been requests to teach balloon decoration.

Horne said: "If it wasn't for the balloons, I think the business would have failed. Two years ago, turnover was not enough to pay the bills. The mortgage was building up, the overdraft was creeping up. Now money is coming in - although not enough yet to think anything other than 'thank goodness we can pay the mortgage this month'."

Turnover last year was nearly £72,000, up £6,000 on 1993. After taking into account mortgage, salaries and other expenses, they made a net profit of about £16,500.

Horne, who fizzes with energy, is seeking to tackle larger events - corporate functions and exhibitions - capitalising on his combination of expertise with both flowers and balloons.

He is a member of Corporate Link, a group of mainly Northamptonshire companies set up a year ago to offer a co-ordinated service planning parties and events. This Christmas, Corporate Link is setting up a marquee in a hotel car park as a venue for parties.

Horne's business includes himself, his mother, and two employees. An extra employee is being taken on to help with the increasing balloon work.

"We are working too many hours," said Horne. "It is starting to take over my life. I am not complaining because it is necessary to make the most of the opportunities which are opening up."

"But we would like to take on bigger commissions which would mean we might have to work extremely hard on some days, but could then have some time off rather than just plod, plod all the time."

Another aim is to earn enough to employ someone to take over the financial side of the business. "I am an artist. I haven't the foggiest idea about business. I add up the VAT every quarter but I don't know what it all means."

Most of the creative work

takes place in the back of the shop, packed like a magpie's nest with bits of decorations, baskets, ribbons, buttons, anything that can be incorporated into a design. Horne keeps more than 90 colours, shades and prints of balloons in stock. The frames for Horne's creations are made from anything he can find, including copper pipes and tank fittings.

His sculptures have included a 12ft high peacock for a shopping centre, corporate logos, a 10ft high gazebo with five columns and a 12ft high cocktail glass. A favourite creation was an 8ft high clown, for which he charged £850. A wedding package of table decorations, ceiling arches and clouds costs about £215.

"What is important in running your own business is learning to have confidence in yourself and your ability - you will never sell anything if you don't believe in yourself."

"It is also important to keep chasing the market - you can't stay still doing what worked yesterday. We used to sell a lot of dried flowers but they have gone out of fashion."

"However," said Horne, "I don't think balloons will be such a passing trend because the only limits are your imagination and your budget."

Christopher M. Horne, The Florist and Balloon Specialist, 195 Broadway East, Northampton NN3 3PU. 01604-401321.

## The Nature of Things How radar came home

Radar sets are definitely not consumer items. They are too bulky and too expensive to find a use in the home or car. Most of us have never seen one except possibly in the hands of a traffic policeman, or on a visit to the flight-deck of an airliner.

Micropower impulse radar looks set to change all that by bringing radar to the man in the street. The size of a cigarette packet, it costs about \$10 to make. Sensitive enough to monitor a baby's breathing, it can see through mud, ice, bricks, water and concrete.

Despite this penetrating power, the radio waves that MIR emits are about a million times weaker than those of a cellular phone, too faint even to register on ordinary monitoring equipment.

The breakthrough that made MIR possible is a cheap technique for measuring very rapid signals, developed at Lawrence Livermore National Laboratory in California in research on nuclear fusion. The aim of fusion is to produce energy by combining isotopes of hydrogen to produce helium. Experiments on fusion heat up the hydrogen isotopes for about a nanosecond (a nanosecond is a billionth of a second) and monitor the energy it releases.

Tom McEwan, who devised the technique for monitoring the energy signal, realised that the same techniques could be used in radar.

Radar works by sending out a brief pulse of radio waves at the speed of light. The waves bounce off anything in their path, reflecting a weak signal back to the radar antenna. By measuring how long it takes for the reflected signal to arrive, the radar calculates how far it is to the object.

The principle is just the same as trying to guess the distance to a cliff-face by shouting and then counting how long it takes for the echo to come back. The practical problem for radar is that light travels a million times faster than sound, a metre in 3 billionths of a second. To measure distances to within an inch or so a radar needs to measure the arrival time of the reflection to about one tenth of a nanosecond.

The reflected pulse of radio waves appears in the receiving antenna as tiny changes in voltage. MIR simplifies the problem of measuring the voltage changes, by freezing the voltage signal after it arrives in the radar system, catching it on an array of capacitors.

A capacitor has the property of "remembering" a voltage connected to it by storing an electrical charge proportional to the voltage. In the MIR receiver, the voltage wave travels past a bank of capacitors, all of which are switched on and then off instantaneously,

catching a snapshot of the signal that can then be analysed more slowly.

The snapshot only records a brief portion of the reflected signal a fixed time after each pulse is emitted. This restricts MIR's attention to objects that are the right distance away to reflect a signal in the time. MIR creates an invisible "bubble" around itself, and only watches objects on the edge. MIR also ignores stationary objects. It compares each reflected pulse with the previous one, looking only for changes. It responds when something moves on the edge of its bubble.

The bubble can be up to six metres in diameter. MIR can also use several concentric bubbles at once, so it could detect whether an object approaching, receding, or maintaining its distance. MIR emits a million pulses every second. This very short duration makes the pulses very weak, but each MIR can detect its own pulses because it knows when to listen.

The time between pulses varies randomly, so that background interference will not affect their reception. This also makes it possible for several MIR sets to work in close proximity without interfering with one another. Each listens only to its own random sequence and so is not distracted by pulses from other MIR sets.

MIR could supersede many forms of high-technology monitoring equipment already in use. It will detect bodies in collapsed buildings or avalanches. By detecting the movements of breathing or heartbeats it could enable rescuers to concentrate their attention on the living. In medical applications MIR is so sensitive, and emits so little radiation, that it could be safer, and give better pictures, than ultrasound.

But MIR is so cheap that manufacturers are looking for ways to use it where radar has never been considered. These range from devices to detect pipes and reinforcing rods in the walls of buildings, to baby alarms that detect breathing.

A Californian company, Amerigo, is developing car safety devices based on MIR. It already has prototype sensors to monitor a driver's blind spots when reversing and turning. By 1999 it hopes to have a device that will detect a collision before it happens, and trigger the car's airbags.

Early next century we may see an intelligent cruise control that avoids accidents by adjusting speed according to what the car in front is doing.

Within a few years radar will be commonplace: every home will have a dozen sets.

Andrew Derrington

The author is professor of psychology at the University of Nottingham.

## Back with the class of '69

Peter Whitehead goes back to school for some re-evaluation

Is Alan coming tonight? The question kept cropping up. But the consensus seemed to be that no, Alan would not be coming. He would be spending the evening as he spent many evenings, on his favourite bar stool in his favourite pub.

Perhaps Alan was right. Perhaps he showed more sense than the rest of us attending a reunion of the class of 1969. Beneath the bright lights of our old school canteen, we spent our Saturday evening reopening old boxes, reigniting old flames and aggravating old wounds. The experience was very unsettling.

From the moment the letter had arrived announcing a reunion of the alumni who first sat down together at the Spence School Towcester, Northamptonshire, in 1969, I had felt uneasy; not the fear of an unenjoyable or awkward evening but fear of an all too enjoyable evening.

When we first assembled, Harold Wilson was prime minister, the Apollo moon missions were at their peak and the Beatles were having their picture taken for the cover of their Abbey Road album. By the time the sixth form separated, Edward Heath had been and gone as prime minister and punk rock was in its infancy.

This was the first time we had gathered in 20 years and we were now nearing 40. Yet people had changed less than it appeared at first sight. Almost all, especially the men, were fatter but their features were less distorted than was my memory of them.

The school buildings have been added to considerably but

again, the biggest change was in the perception of it: it was as if the school had shrunk.

There had always been room for jostling and scuffling during the walk from the canteen door to the food counter, now the distance could be covered in a few paces. Our old headmaster too, now retired, seemed smaller, friendlier, less fearsome.

School days might be the best days of your life, but they do come to an abrupt, artificial and arbitrary end. It is as if a great drama is slowly building towards an extraordinary climax only for the projector to blow up before the final act.

Certainly, as a bemused teenager, I felt I was just getting to grips with my world when it was packed up and scattered around the country.

Yet together in that canteen, we were teenagers again. Most of the people I spoke to were married, comfortably off, with two children or so but did not feel they had aged inside.

There was Andy, who disappeared at the end of the fifth year, muttering about being a doctor. And here he was with a business card with "Intensive care" written above his name, "consultant physician" under it and a string of letters after it that could be rearranged to spell "cleverest of the lot".

Mandy, another doctor, was not able to be there but had sent a picture of herself with her family and written a very sensible letter.

Paul, always fun, now owns a fish and chip restaurant and arrived in a car as big as a

Linda teaches German but looks barely a day older than when she was leaving it.

Gradually it became fun and the repeated questioning easier. "Where do you live?" "What do you do?" "Have you any children?" A few produced photographs of their families, I coyly produced mine.

The scope for faux pas was limitless: a glance at one old female friend's surname produced this awful blunder: "You're not still married to old..." Two other girls I completely failed to recognise. One of them said to a friend: "He's not even going to say 'hello' to me and we travelled on the same bus every day."

Gradually, we were drawn back to the people we had been closest to at school and the groups began to resume their early-1970s formations.

Our group did not want the evening to end. We were encouraged, quoted, then ordered to leave by an increasingly weary caretaker. But this time we knew what leaving school meant - just a group photograph to look forward to in the post.

The old Roman town of Towcester, with its thriving by-pass and faltering heart offers few refuges after midnight. "But we can't go home yet. We'll regret it and go home thinking it wasn't enough," someone said. "Whatever we do, it will never be enough," I commiserated.

But we made the best of it: seven of us walked across the school field in the dark on squelching turf, then chatted in the playground for an hour or more sitting on a soggy

wooden bench.

We had begun the process of building new relationships, picking up where we left off - and in some cases that was in the full flood of teenage passions and confusion. It would take time for us to grow up in each other's company.

So why had we gone? Perhaps we were seeking an affirmation that old friends really wanted to see us again, that what we did at school was remembered by others, that we had been significant.

The professional view of school reunions is that each person will feel completely different about them. Elizabeth Macdonald of Lifestyle Management, a firm of therapists based in London's Wimpole Street and Wimbledon, said: "Each person is relating in their own particular way."

She said a good deal of comparing would have been going on: "The words being used might well have indicated competitiveness. People would have been evaluating themselves against their peers."

I asked her whether late-30s was a typical age at which to seek out the past.

"Yes, because as you reach your 40s, you find it's time for a re-evaluation. In your 20s, you come of age, you become an adult but with no adult experience. You start a second phase in your 40s. You know you have really grown up now, with 20 years experience as an adult."

Will we do it all again? There was talk of another reunion. I hope it takes place. For I loaned £1 to an old classmate towards the cost of his group photograph. "Pay me back in 10 years," I told him.

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#### BUSINESSES FOR SALE

CALL FOR EXPRESSION OF INTEREST IN PURCHASING THE ASSETS OF "YOMVIX SILK INDUSTRY AND TRADE". P. Sologoudou & C. Koutoulis S.A. of Athens, Greece. ETIPHIKI KEPHALOIOU S.A. Administration of Assets and Liabilities, of 9A Christodoulou St Athens 10564, Greece, in its capacity as Liquidator of "YOMVIX SILK INDUSTRY AND TRADE". P. Sologoudou & C. Koutoulis S.A., a company with its registered office in Athens, Greece, the "Company", presently under special liquidation according to the provisions of Article 46a of Law 1892/1990, by virtue of Decision 7091/1993 of the Athens Court of Appeal, invites interested parties to submit within twenty (20) days from the publication of this call, non-binding written expressions of interest for the purchase of the assets mentioned below, which are being sold as a single entity.

BRIEF INFORMATION The Company was founded in 1933 and was in operation until 1981. Its activities included the production, processing, marketing and exportation of textiles and fibres. On 26.3.1993 the "Company" was placed under liquidation, according to the provisions of L. 1892/1990.

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SALE PROCEDURE The Company's assets will be sold by way of Public Auction in accordance with the provisions of Article 46a of Law 1892/1990, law supplemented by art 14 of L.2084/1991 and subsequently amended and the terms set out in the Call for Auction for the sale of the above assets, to be published in the Greek and foreign press on the dates provided by law.

SUBMISSION OF EXPRESSIONS OF INTEREST - OFFERING INFORMATION For the submission of Expressions of interest and for obtaining a copy of the Offering Memorandum please contact the Liquidator "ETIPHIKI KEPHALOIOU S.A. Administration of Assets and Liabilities", 9A Christodoulou St, Athens 10564, GREECE. Tel: +30-1-123.14.94 - Fax: +30-1-321.7475 reference Mrs. Maria Frangoulia.

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No. 084082 of 1995

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION COMPANIES COURT

IN THE MATTER OF HALL ENGINEERING (HOLDINGS) PLC and IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 24th September 1995 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above-named company from £25,000,000 to £24,000,000.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before Mr. Registrar Buckley at the Royal Courts of Justice, Strand London WC2 3LL, on Wednesday the 25th October 1995.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose.

DATED the 13th day of October 1995

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No. 084082 of 1995

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IN THE MATTER OF BARCLAYS TREASURY INVESTMENT LIMITED and IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice dated 24th September 1995 confirming the reduction of the capital of the Company to the extent of 99p on each of its 12,250,000 issued Ordinary Shares of 1p each but without reducing the nominal value of such shares so that each issued share will be paid to the extent of 1p net share and the Mosaic agreement by the Court showing with respect to the capital of the Company as altered the several particulars required by the above Act was registered by the Registrar of Companies on 24th September 1995.

DATED 24th September 1995

Slaughter and May (MVM)

35 Abchurch Lane

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Solicitors for the Company

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PERSPECTIVES

# Possessed by the rhythm of voodoo drums

James Henderson on Haiti's spiritual double life

**T**he Saint's day of Our Lady of Mt Carmel is July 16 and each year it sees a huge gathering of the faithful at the normally slumbering village of Sant d'eau, a town in Haiti's central mountains.

The Virgin is said to have appeared there in a palm tree near a waterfall (saut d'eau in French) about a century and a half ago.

They go for the same reasons as any Catholic pilgrims: to honour the Virgin. Their faith is not in doubt (this is a country where the President is a Catholic priest).

But in Haiti the spiritual rhythms beat rather differently. Saut d'eau is also a voodoo pilgrimage and the waterfall the central feature.

Voodoo is pretty widely misunderstood outside Haiti. In fact it is a system of beliefs like any other religion. The Grand Maitre is the supreme divinity, as the European God, but there is also a spirit world inhabited by voodoo gods or lwas, who impinge much more closely on human existence. They can be vengeful and benevolent; they must be worshipped appropriately, and appeased when angry.

The lwas have an earthier quality than the European God and have noticeably more human characteristics. There are even jealousies between them. But they reward their followers by intervening in their lives. In the drum-riven voodoo ceremonies they come to possess them, taking over their body.

The mix of the two religions arose when newly arrived slaves were permitted to worship in church. Ostensibly they prayed to the Catholic divinity, but behind the facade they continued to worship their West African gods, equating them with the Catholic Saints.

St Patrick, so often depicted with snakes, has become associated with Damballah, the spirit of wisdom and fertility (his symbol is a snake); St James with Ogoun, the spirit of war. The Virgin Mary's equivalent is Erzulie, the spirit of love. To most Haitians there is no conflict in being both a Catholic and a voodooist.

Arriving in Saut d'eau I found customary Haitian chaos, streets gorged with people all trying to get somewhere, trying it on. Stalls were offering food and drinks, the candles and portraits of the pilgrimage, and a little gambling. There is a surprising mix of Haitian society, bon bourgeois from Port au Prince, and peasants from all over the island. Some had walked for days to get here.

I joined the constant stream of people headed to the waterfall. We climbed a steep slope, and were caught momentarily in the crowd of a rara band (shuffle-stepping to hand-held

drums, a cheese-grater, trombone and the long low hum of a plastic drainpipe).

There are the familiar elements of any Catholic pilgrimage. People carried pictures of the virgin, they placed dedicatory candles, whispering prayers, and they wore special colours: many wore blue and white, the colours of the Virgin. But of course there was a parallel significance: the candles were placed at particular trees - at a kapok to honour damballah; and some wore cords of different colours, denoting different lwas.

The waterfall itself is magnificent. Three cascades drop 100ft into a dark and fertile cleft, cool because some water is whipped off into a breezy mist.

The rest spatters violently



Voodooists must get God's permission to invoke the lwas

on to the pilgrims on the rocks beneath. Up to 400 people stood about. The central part of the ritual is a physical cleansing in the sacred water and so most had stripped off to their underwear and were washing themselves. They clamber over the rocks shampoo in hand, letting the sacred water wash over them; one man even set off into the fray clutching a toothbrush, paste ready prepared.

Suddenly commotion: a woman was falling into a trance. She shook horribly at first, and the people around her supported her so that she would not drown. She recovered and began to hold court with them, coy and playful. The woman next to me said: "Ah, c'est Erzulie."

As the lwas each have particular behaviour patterns, people are able to recognise which spirit has appeared. Erzulie is coquettish and flirtatious. It was auspicious that she should have come.

And then there was a young man in a more sinister-seeming trance. Eyes rolled back, he was standing, moving sinuously, holding a man's hand, but defiant and vaguely threatening. "Oh Damballah," said the woman, as though it was the most normal thing in the world.

As night drew in we returned to the village and a

storm hit. It might have seemed sinister, as drums struck up all around the town, but the pilgrims were intent on the fete. There were public dances, a mesmeric double beat of *compas* and impromptu parties that crystallised in the street, mellow music with guitar, maracas and a small drum.

The energy is compulsive: the way the drums rumble and the singing rises through the keys, it is easy to imagine possession.

The night, the time of voodoo, was full of odd sights - ghostly, white-painted faces; people shuffling, uttering incantations; transvestites playing to the crowd.

I was slightly alarmed by a cross dripping with candlewax, but then totally absorbed by the market on the square beneath the Catholic church. The candle-lit stalls were laden with portraits of the Virgin, ribbons, candles and bundles of dedicatory leaves.

Between them there was barely room to move for all the people praying, holding crossed candles high towards the church - voodooists must get God's permission to invoke the lwas - faces etched with ecstatic concentration.

Next morning, its whitewash glaring in the sun, the church commanded a quite different aspect. Inside, the main hall and galleries were bedecked in blue and white and heaving with the congregation. Mass was being celebrated to honour the Virgin of Mt Carmel.

But once again there was more. Dedications were passed overhead from the rear of the church and laid at the altar, people held photographs of families they wanted to be blessed, one woman sat in silence, her eyes on some invisible horizon and her passport in her hands. The most important thing in the world was a visa for the US.

Leading the service, the local Catholic Bishop was quite clear about the mix of voodoo and Christianity and broached it head on in his sermon. He denounced this *met-melo*. They were there to honour the Virgin Mary. Anything else was impossible.

It was obvious that some of the congregation had other ideas. There was a constant murmur, seemingly rising in proportion to his objections. People put out their candles when asked, but others crept in and lit more. In the past there have often been possessions in the church and the voodooists have actually come inside with their drums and played. Fights have broken out in the church. All passed off quite calmly this year.

Service over, the statue of the Virgin was paraded through the town. The crowd surged around her. All eyes were fixed on the statue. Our Lady of Mt Carmel. Or Erzulie the Goddess of love?



The art of running a bank: Sir Nicholas Goodison hung pictures on the TSB's walls

Lunch with the FT/Nigel Spivey

## Goodison's moveable feast

**C**locks make him tick. Or, more precisely, automata - those toys which respond to feeling wound-up by moving around and performing various diverting functions.

Get the former chairman of the London Stock Exchange on to the subject of mechanical devices and his eyes light up. They may be shabby gee-gaws from Taiwan or the life's work of some patient craftsman in deepest Bohemia. All they need do is move of their own accord.

With child-like glee, he describes how, in every city of the business world, there is always a back street that harbours a specialist boutique of automata. Wherever they are, and wherever batteries are considered deplorable, there the name of Sir Nicholas Goodison will surely be known as a connoisseur and collector.

His wife despairs of the strain upon household space. But, by his own confession, no new and ingenious gadget can be resisted.

I supposed there was some psychological, or even business, sense to this passion. Clocks are, notoriously, the fetish of the Calvinist types who believe that every minute utilised properly is a notch towards ultimate salvation.

Goodison belongs to three generations of stockbrokers and radiates a contagious faith in professional reliability. All regular and tickety-boo. Coming from a gaunt man of immaculate manners, it is like the antidote to all financial sleaze and feline obesity.

Accordingly, at our table in London's fashionable Orso restaurant, he seemed uninterested in food and drank only a glass of Peroni beer.

Goodison, today chairman of the Trustee Savings Bank - in the headlines this week following proposals of a merger with Lloyds bank - reminded me of a certain type of headmaster. Not the sort of beak to deal out a hearty whacking but, rather, one who knows how to instil the deeper wounds of anguish.

"I was going to become a teacher," he said. "Inspired to, by a master at school. But, d'you know, I found it was also him who advised against it. Told me what a strangely lonely job it was. More scope for stockbrokers in that respect. Stockbroking is all about people. So, I've spent all my life in the City."

Happily?

"Oh, absolutely. There's always something going on in the City. I love it."

There were more goings-on than I then imagined. But Lloyds never touched our lips. Innocently, we dwelled upon the schoolmaster ambition.

Goodison was at Marlborough, where he is still a governor. ("Chilly place to be, in the winter of '47. Still had sand on the dormitory floor, a pee bucket in the middle of the room, and all that.") The inspirational master was a classicist who was, to use present jargon, of an inter-disciplinary disposition. Before the boys settled to parse their verbs, he would take them to a landmark of western art.

"Sounds frightfully crude by today's standards. He had these reproduction pictures.

Every lesson, he would produce the next one in the series, stick it up on the wall and talk to us about it. Started with Giotto. By the end of the year, we got to the end 'P' - Paul Nash. It was enchanting. High light of my week. It gave me a taste and an appetite for art which has been with me ever since."

The TSB used to be called the "toytown hank" until Goodison took over as chairman. One way in which he changed that image was by

throwing some art at its walls. Twentieth-century British - Paul Nash and the like. "Businesses need art," he declared. "Places where people spend lots of their time should be beautiful."

An aesthetic businessman is a very obvious person to be chairman of the National Art Collections Fund. We had got to that stage in lunch where I felt emboldened to test his chivalric rigour.

"The Three Graces," I said. "Now, what a tragedy that

was. The most insipid and repulsive piece of statuary to be produced in Europe during the past three centuries. It could have gone to the States for £7m. There would have been parties in the streets."

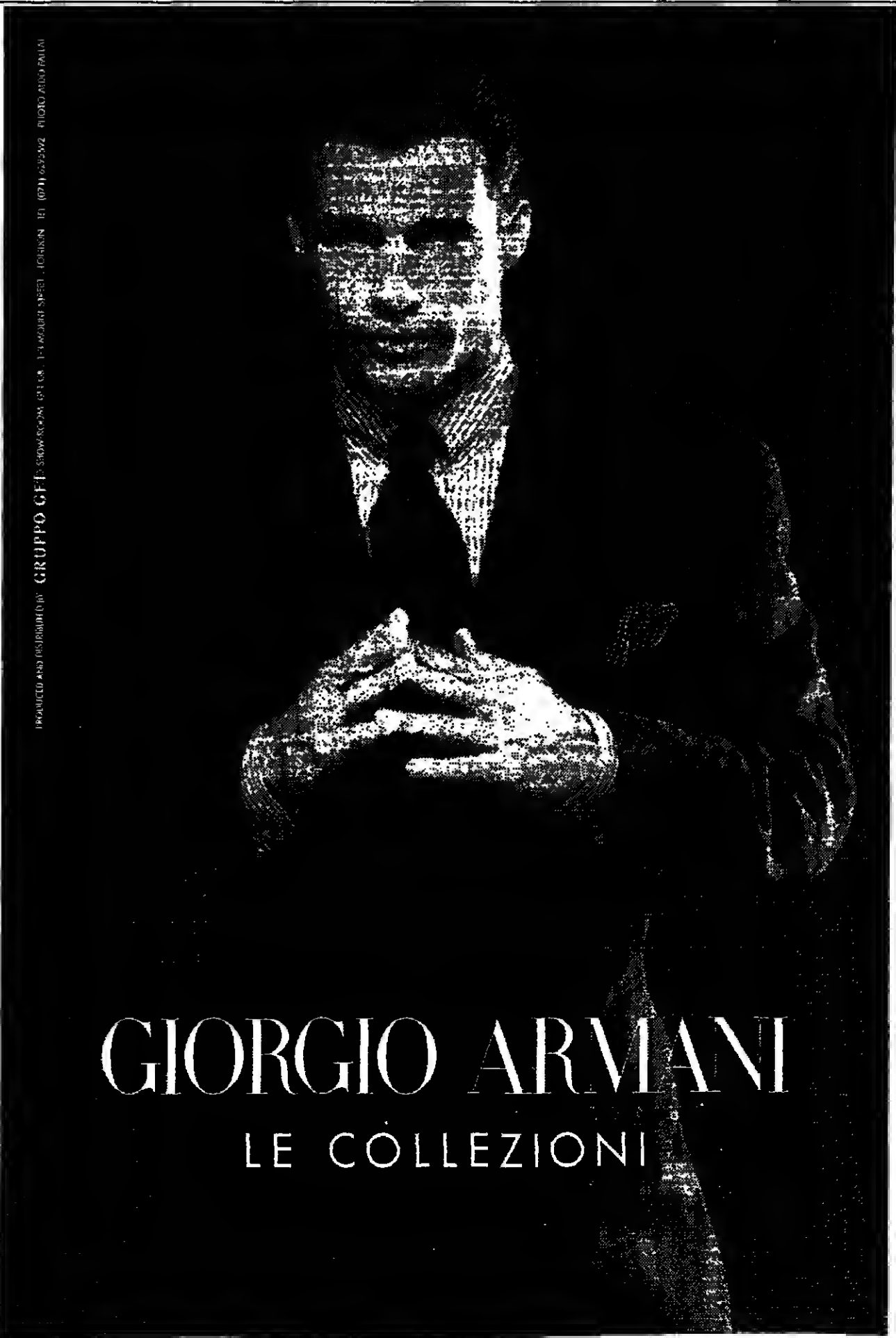
That should have touched a nerve. To assist in the purchase of Canova's Three Graces, the NACF took the unusual step of dipping into its capital. But the impertinence was defused, gently.

"That's a question of taste," Goodison said. "Not for us to

impose personal taste. Tastes change. Think of the Pre-Raphaelites. Widely despised, once upon a time."

He would have been a good teacher. He probed and expanded so naturally on this question, and many others. At about a quarter to three, he realised that he had a meeting half an hour ago. "I say," he said. "I fear I've lost track of time."

Not in character, surely. But an endearing failure of clock-work.



Voodoo gods can be vengeful and benevolent; they must be worshipped appropriately

Picture: Pictures



FOOD AND DRINK

Cookery

# The Ligurian village that gives thanks to cod

Philippa Davenport visits Badalucco for its festival

Some 600 years ago Badalucco, a quiet mountain village in Liguria, survived a siege by the powerful Genoese with the help of dried cod.

Dried cod or stockfish (as opposed to salt cod or bacallà) is highly prized in Liguria. The faint glue factory smell of it hangs over the village during the festival that celebrates the siege, is cause for rejoicing among the human and feline populations, but displeasing to some of the uninited.

Everyone is involved in the preparations. Vast amounts of the fish are soaked for days under cold running water. Relay teams of village women painstakingly pick the skin from the rehydrated fish while others scrub the bones. At first glance they look like housewives doing their laundry in a communal wash-house - but who bothers to protect her hair with a bathcap when washing clothes?

The men flex their muscles and stir the cauldrons. About 16 hours of gentle cooking are needed to render the flesh unctuous and melting according to the local recipe: the fish soft-

ened and savoured with garlic, parsley, hazelnuts, pinenuts, anchovies, porcini, white wine and delicate sweet olive oil. All the ingredients, except the cod, are products of the area.

On Saturday night after much speech-making, ribbon cutting and due thanks to the Norwegians (who give the stockfish for the occasion) the first taste of Stoccafisso Badaluccese is served at a ceremonial open-air dinner in a floodlit village square. The band strikes up and dancing begins.

While VIP revellers drift off to bed, dedicated teams continue to cook into the small hours in order to make enough to feast the crowds expected on Sunday. This year the 1,000 villagers were hosts to 15,000 visitors - a minor miracle of village community co-operation and organisation.

This trip was my first to Liguria and it was a revelation. The British coastal connection is well established. Bordighera on the western Riviera was a fashionable place to winter long before Nice; the Levantine Riviera was Byron's playground and Shelley's watery grave. But the hinterland is

uncharted territory for most Britons. So too are Ligurian foods. We know about pesto of course and genoa cake but that is about all. (The cake, incidentally, is not known locally, although Genoese candied fruits are acclaimed.)

Those who remember that Nice, Liguria, Piedmont and Sardinia were all part of the same kingdom before Italian unification will not be surprised by culinary links between them - a love of chick pea batters, salty bottarga and anchovies, for example.

Liguria's high ratio of coastline to total territory might lead one to expect a diet of fish. In fact Ligurian cookery centres on fresh vegetables and herbs. It is joyous, light, resourceful, restrained and beautifully inventive. Rarely is the art of frugality carried to such elaborate and delectable heights.

Aromatic and tender fillings are wrapped in fragile filo-like pastry, or enclosed in postage-stamp thin pasta, or occasionally slipped into a booted and rolled out of meat. The effects are exquisite and the triumph is all the more remarkable

given the terrain. Or perhaps it is precisely because cultivable land is so scarce in Liguria, and cultivation there calls for double the usual care, that the cooking of those hard-won crops is so thoughtful?

The valleys that run back from the sea into the mountains are narrow and steep. Every wheat field and vegetable garden is a terraced strip laboriously carved from the hillsides. Looking up from the sea, frost-free and frost-prone levels show up as clearly as contour lines on an atlas. Revelation lies in the colour of the fields and slopes are cloaked with silver-grey olives. Above is the bright chlorophyll green of chestnut woods fringed with wild fruits and hazels, wherein

fungi, rabbits, game birds and wild boar flourish.

All these points and many more are explored - with far greater knowledge, style and skill than I can muster - in a book to be published next week by Britain's most respected writer on Italian foods.

Anna Del Conte's *The Classic Food of Northern Italy* (Pavilion £19.99) is her most important and exciting book yet, a feast in every sense. One chapter is devoted to each of Italy's 10 northern regions. Through history, geography, climate and the temperament of the people, she builds understanding of the regional nature of the foods and cooking that distinguish each territory.

It is a masterly blend of authoritative reference book (she wears her scholarship

lightly), joyous read (her warmth shines through the pages) and totally trustworthy recipe book with an inspired mix of the classics and the unfamiliar.

The culinary diversity it reveals really ought to make us think twice before employing that meaningless *passé portout* phrase "Italian cooking".

The chapter on Liguria begins "If I were to be told that I could eat dishes from only one of Italy's 20 regions, I would unhesitatingly choose Liguria..."

Perversely (but mainly for reasons of space and because two readers have chided me about recent lack of meat recipes in my column) the Del Conte recipe that follows comes not from the chapter on Liguria but from her native Lombardy.

**UCCELLI SCAPPATI** (serves 4)  
12 thin pork escalopes, weighing about 1lb in total; 12 slices unsmoked pancetta, weighing about 5oz in total; 3 fresh rosemary sprigs; about 20 fresh sage leaves; 14oz unsalted butter; 1 layer peeled from an onion; 4 tablespoons dry white wine.

Season the escalopes with salt and pepper on both sides. Cover each with a slice of pancetta, cut a little smaller than the escalope. Scatter with a few rosemary needles and roll up from a long side. Thread one sage leaf, one bundle, one sage leaf, one bundle, one sage leaf and the last bundle plus the last sage leaf on to a short metal skewer. Repeat with three more skewers.

When all the skewers are ready, heat the butter with the layer of onion in a large frying pan. When the foam begins to subside and the butter takes on a lovely hazelnut colour, place the skewers in the pan. Sauté at a lively heat for 3-5 minutes, turn the skewers and sauté on the other side for about 2 minutes.

Pour on the wine and cook at a lively heat for 2 minutes more. Turn the heat down and finish cooking for a couple of minutes. Taste and adjust seasoning.

Draw the pan off the heat and let the meat rest for 5 minutes before serving. During this time meat juices will be released and mix with the winey liquid. *Uccelli scappati* should not have much cooking liquid; just about 1 tablespoon per serving.



A hint of the flavours contained in Anna Del Conte's 'The Classic Food of Northern Italy' (Pavilion, £19.99, 240 pages)

Continued from Page 1

the US, and he sells the completed products in 80 countries - all from a converted smithy in a village below Exmoor in Somerset.

The migration of hi-tech businesses to the countryside is a relatively recent phenomenon. But Singer has been in Exmoor for 20 years so he is, in a way, an old hand who has seen the dramatic changes which have made it possible.

"The best thing was the deregulation of the post office and competition in delivery,"

says Singer, who can order a component at 8pm and have it courier-delivered along his country lanes by 10am the next day. With phone, fax and computer he is in constant touch with his markets. On the wall are a world map and United Airlines directory. Singer can be anywhere by tomorrow night.

There are disadvantages, of course. Mobile phones do not

work in his valley. And there is no public transport, so Singer can only employ people who own cars, which makes it difficult to attract youngsters. And pretty though Exmoor is, it lacks that something.

"There's no energy in the countryside. You have to go to the city for that," he admits.

However, he feels it is incumbent on anyone to relocate their business to the coun-

tryside if they can.

Not that the local village benefits much from Singer's presence. None of his small staff of 10 come from the immediate vicinity, nor does he buy anything locally, apart from small items from the village store. But he tries to ensure that the people he does employ have a commitment to the area, specially if they are setting out on their careers. His

company also pays business taxes to the local council.

The important thing, he believes, is that his very presence there "shows that something is going on".

The problem for companies thinking of relocating is that it is very hard to put a cash value on the benefits. "If you could, they'd be worth a lot of money." The government has to prime the pump if it wants the process to develop, though Singer says that organisations like the Rural Development Commission are already doing a good job in that regard.

The conservationists may be alarmed by the "hi-teching" of the countryside but Singer sees it as essential to preserving its vibrancy. "I don't see a conflict between economic activity and the idealised picture that townsfolk want to preserve. They're complementary. Without businesses the village shop and the pub would go down the drain."

**The farmer is a dwindling breed. Does he deserve help to keep rural communities alive?**



The Forest of Bowland, where Henry Bainbridge makes his living as a farmer, is a misnomer. It is a windswept upland on the western Pennines in Lancashire where snipe and raven wheel over the heather and open moorland. There is hardly a tree in sight.

This is hill farming: a tough life which pits the farmer in a constant battle against the elements, poor soil - and the vagaries of government.

Bainbridge and his wife Margaret have been there 35 years as tenants on the local estate. They have 850 sheep and a small herd of milk cows on their 220 acres, and they recently won an award from a farming conservation group. But like all hill farms, the business is not viable without considerable aid from the government and the EU: up to half the price of a sheep is subsidised. And government subsidies are being cut.

So why bother? Because it runs in the family. Bainbridge, who is 57, was born to it, and hopes that one of his grandsons will carry the tradition on. He has few illusions about the appeal of farming to modern youth, though he suspects that young people come back to the land in their late 20s, once they have vented their youthful enthusiasms.

"We need small farms," he says. "It's the small acorns that make the big oaks." There will never be a shortage of people who want to become farmers, he believes. Farms like his will provide the lower rungs that enable them to get on to the farming ladder.

Small farms provide fabric for the local community. In Bainbridge's case, this is interwoven with the neighbouring estate, owned by the Duke of Westminster, one of the country's largest landowners. The estate's grouse shoots are an important source of income for local farmers: each shoot, it is estimated, leaves £1,000 in the locality.

Bainbridge is unhappy about the amount of subsidy that hill farmers get because he thinks they have become hooked on it. But he helped form a campaign to impress upon government that some kind of support was essential because of the social and environmental role that small farms play in remote areas.

For example, he thinks the country should do more for farmers who are unable to provide for retirement. "Not all farmers manage to live to a healthy old age. Social facilities must be available to make that possible."

Environmentally, too, he argues that grants should be extended more widely to farms like his to help preserve the appearance of the countryside. "Visitors want farms to look smart and tidy." But these hand-outs should not encourage people to lose sight of the reality. "People tend to forget that this is a place of work."

**City dwellers want a place in the country, but at what price?**



"This is the first piece of real countryside outside London," says Martin Andrew pointing at the rolling Chiltern hills outside his office in High Wycombe, Buckinghamshire.

Andrew is the conservation officer for Wycombe District Council with the job of shielding as much of that countryside as he can from the pressures of the big city only 35 miles up the M40 motorway. Although the Chilterns are protected as an Area of Outstanding Natural Beauty, Londoners are relentless in their efforts to get a piece of it for themselves.

Much of it comes down to barns. Since nothing can be built in an AONB, converting existing farm buildings is the only way most people can hope to secure a country home. An unconverted barn in the Chilterns changes hands for as much as a quarter of a million pounds. So eager are people to convert barns that they have even sought planning permission for post-war examples built of steel and concrete.

Andrew knows every single one of the 400 barns in his area, particularly the 80 which are listed as architecturally interesting. His dilemma is that while barns would be far better employed as farm build-

ings than homes, many of them become redundant as farms modernise and merge. Allowing them to be converted into homes is one way of saving them from dereliction.

His regret is that by the time an application to convert a barn arrives at the council it is usually too late to find a better use for it: the farmer has been told by his accountants to sell.

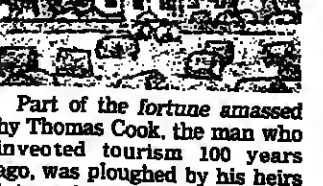
Andrew would like the chance to persuade farmers to keep their barns going, as stores or workshops.

But if a barn cannot be saved, Andrew tries to ensure that the conversion retains its "barn-ness" as he calls it. That means saying no to dormer windows and even gutters if they are inappropriate. "Barn-ness" includes the surroundings, which must be spared from suburban-looking gardens and fences, so that the historical context can be preserved.

Andrew thus finds himself at the heart of the urban-rural conflict, and is not necessarily popular with either side. Those who already have their stake in the Chilterns worry that the planners will bow to pressure to create low-cost housing and jobs, while those who aspire to a place there see him as an obstruction.

"We have to decide what we want the countryside to look like," Andrew says. "We must accept that change is inevitable. We have to make compromises."

**Who knows how to manage the countryside best? The planners or the people who work it?**



Part of the fortune amassed by Thomas Cook, the man who invented tourism 100 years ago, was ploughed by his heirs into an 8,000-acre estate in Norfolk. Today, Sennow Park, outside Fakenham, is the fourth largest estate in the county, and is owned by his great great grandson, also named Thomas Cook.

From an imposing stately home at the end of a mile-long drive, Cook surveys a property which includes a village, forests, seven tenant farms and much else besides. This makes him a businessman and farmer with a considerable influence over local affairs. But by temperament he is a conservationist who is alarmed by the changes which are being forced on the countryside.

One of his current concerns is Fakenham itself where the construction of three supermarkets has left the historic town centre with 29 empty shops. He owns much of the surrounding land, and has been trying to stand in the way of out-of-town development. But he blames the "faceless bureaucrats" in London who

authorise projects over the heads of the local people.

"There are few villages in Norfolk without large and ugly housing estates," he says.

"People there don't work locally but commute to large towns, but they create extra demand on facilities like water and the roads. This has done untold damage to the aquifers."

"We simply cannot go on artificially expanding the population of the county without destroying the whole tradition and culture of it."

The aim of development, he believes, should be to preserve the local character and way of life rather than open the floodgates to incomers. The conversion of farms into golf courses is a particular bugbear: they make the countryside look suburban and interfere with the landscape.

Cook wants to see the government apply policies which provide employment and housing for local people - something he has been trying to do through the way he manages his estate and tenancies - but restrain speculative development. Tourism should be encouraged, so long as it does not destroy the very things people come to see.

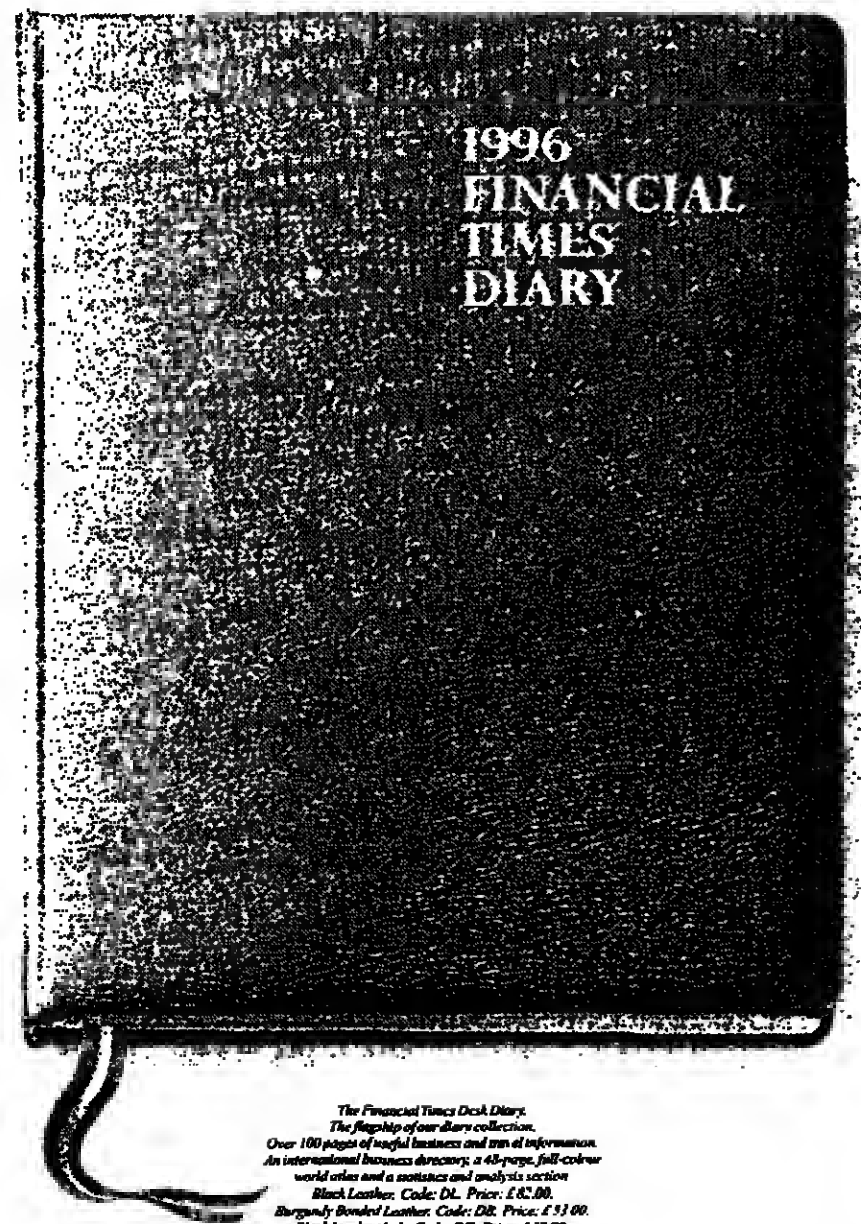
It has taken the government a whole year to come up with its white paper (John Gummer, the environment secretary, promised it at last year's Tory party conference). But it is hardly surprising when you realise that the countryside is a battleground for some of the most powerful forces in the land.

There will be many skirmishes in the debate. But the decisive one will be between those who want to get at the countryside (developers, commuters, ramblers and economic agencies of government) and those who are determined to stop them (landowning interests, the conservationists and the "heritage" agencies of government - the government does not speak with one voice on country matters).

They will tussle over questions like "What is the countryside really for?" which in the end come down to how tough the planning regulations should be, whether the taxpayer should fund grants and services to keep the country looking nice and prosperous, and whether farmers should produce food or run a giant recreation ground.

But if Britain is really to lead the way out of the industrial age, the debate will also have to find a new role for the countryside, one which satisfies a nation which is increasingly leisured and moneyed, which can feed itself, and whose mobility overwhelms all the traditional barriers which shaped and protected the land for centuries.

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# Gopher recipes on the Internet - it's a virtual menu

Apala Chowdhury finds a way through a tangled web

**S**o you have your modem and a copy of Windows 95. What can you do with it? Well, you could try eating. Almost.

The following electronic conversation is for real. "I have a 5ft-long dead gopher snake in my fridge right now. It's skinned. It's fresh - we ran over it a day ago, and it's been kept cool since. Does anyone have any (serious) ideas as to what to do with it next? How do I prepare it?" Marjorie came to the rescue. "A friend of mine successfully makes stew out of all types of snake."

Food lovers all over the world offer and exchange advice on these and more mundane culinary dilemmas over the Internet. The information superhighway overflows with gastronomic pleasures, but you can still get hiccups. Culinary purchases from the Internet can be frustrating, time-consuming and potentially insecure.

Three main menus lead to the larger, mailing lists, newsgroups (where you can discuss things with like-minded people) and the more visually attractive worldwide web sites (a company's - or an individual's - graphical presence - called up to your screen via its "address") from where you can often also shop.

Mailing lists are not so interactive. Instead, you simply subscribe to them to receive e-mail about chilli recipes, for example, ("chile-heads-request@chile.ucdmc.ucdavis.edu") or maybe even news from a group of beer-loving libertarians at "liberty-request@synchro.com".

Newsgroups are for socialising. Here people chat on-line: the snake connoisseur and Marjorie crossed paths at "rec.food.cooking" ("rec" is recreation), one of hundreds of official and fanzine-type newsgroups on the Internet. At other newsgroups, people talk about wine, beer, sushi, red lobster, chocolate and fat-free and low-fat food.

The vegetarian discussion group ("rec.food.veg") is informative. One woman, for example, recently

sought a vegetarian option to beef jerky. Her boyfriend, she complained, could not live without it and she hoped to convert him to her vegetarian diet. Incredibly, someone offered a solution - preparing a substitute using wheat gluten/seitan to simulate the leathery texture and marinating it in jerky marinade for a quasi-beef flavour.

Finding alternatives to some rather inimitable meat foods is just one of the problems facing vegetarians. Tracking down good restaurants, particularly on holiday, is often frustrating and soul destroying. Internet gourmet travellers - vegetarians and carnivores alike -

## Superhighway overflows with gastronomic pleasures, but you can still get hiccups

found at "rec.food.restaurants" swap details on the best eating places everywhere from Rome to Las Vegas and Iceland.

Conversation skills, however, are not a prerequisite. Some subscriber services provide access to searchable restaurant guides such as Computer's AA Restaurant (UK) guide. My husband organised an anniversary weekend at the Hope End hotel, near Ledbury, having spotted its review there.

For a more visual treat, Web site food pages present photographs and graphics alongside text: you can dip in and out as if reading a magazine. New sites are constantly sprouting. The Electronic Gourmet Guide (EGG) ("http://www.2way.com/food/egg/index.html") is published on the first day of every month and links to other food sites. As well as its regular gourmet food quiz, August's issue chides hotels for their lack of healthy menus. It also encourages people to brew their own cocktails.

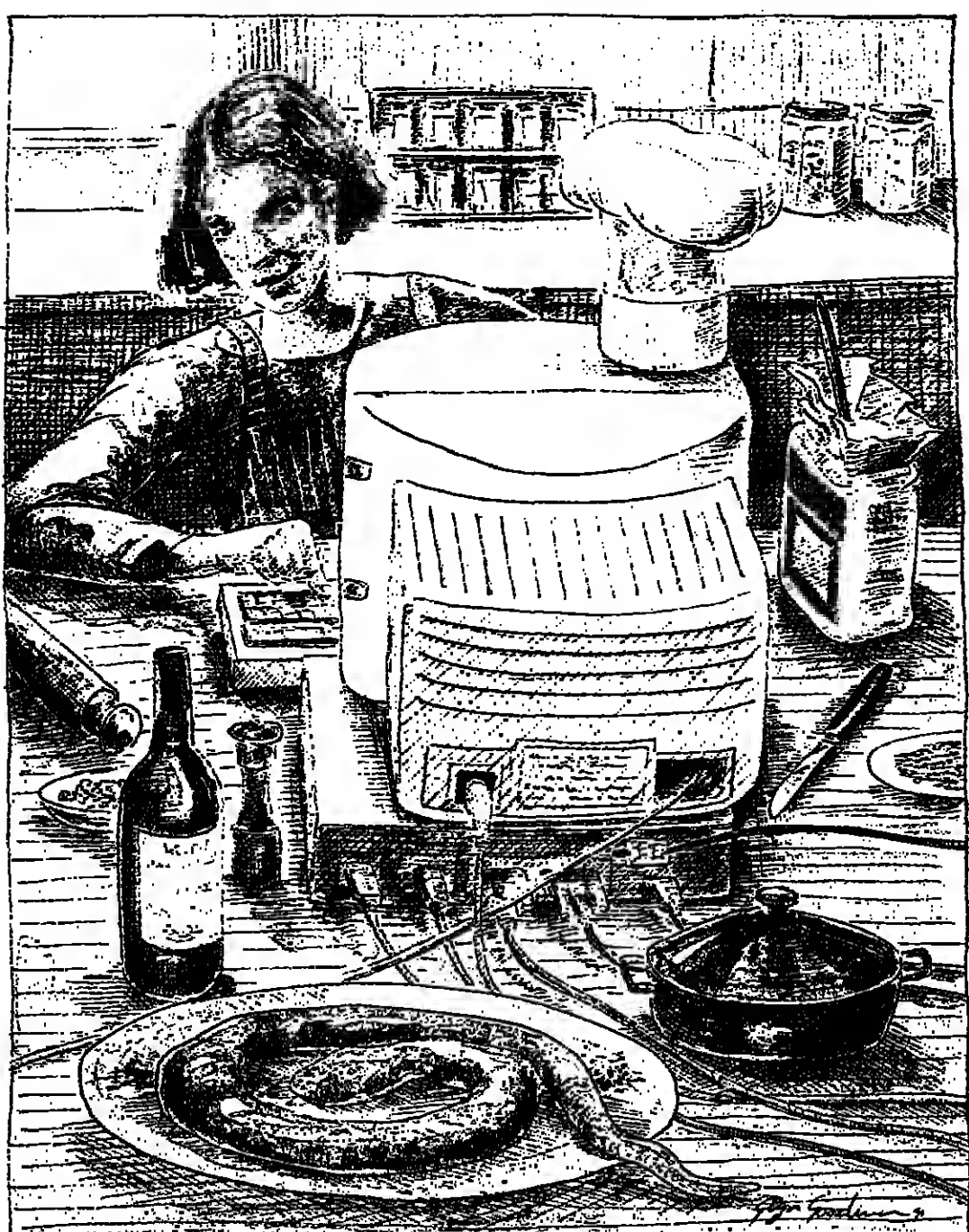
Fastfood junkies, students and the lazy congregate at the Ridiculously Easy Recipes page ("http://www.sar.usf.edu/zazueta/recipe.html") for delights including Jenny's Instant Doughnuts, microwave Quesadillas and roasted garlic sandwiches.

A sure remedy for dissolving garlic vapours may remain elusive, but the garlic page ("http://broadcast.com/garlic.htm") supplies many other useful tips. To achieve squishy garlic, for example, without labouring fine-chopping or a crusher, the secret is salt. As cybercook Jayne explains, top and tail the cloves, but not down to the skin, and gently crush the garlic into the salt. Leave for a few seconds while the salt breaks down the cells through the process of osmosis, which swells and bursts the clove. Perfect garlic for garlic bread - or even garlic beer ("http://alpha.rollanet.org/cm3/rec/07-04.html").

Even virtual food should be washed down with some liquid refreshment. You may not have tasted OK-Soda, launched by Coca-Cola in the US and described as a new Generation X drink, but you can read what Stateside's hippest think about it at the "alt.fan.ok-soda" discussion group.

More serious drinkers, however, can talk real ale. There are newsgroups, websites (and mailing lists) that enthuse about drinking and brewing beer in the US, the UK, France, Croatia and elsewhere. UK real ale drinkers can find refuge in the beer page "http://www.cityscape.co.uk/users/a196/beer.html". This includes a guide to pubs in the UK and a diary of British beer festivals. Real brewing fans, meanwhile, might feel happier rubbing shoulders with the earnest brewers at "rec.food.beer".

Electronic wine-tasting, meanwhile, sounds about as sorry as correspondence sex. But here at least you get to taste the wine. One group at "http://augustus.ccsr.washington.edu/personal/bigstar-mosaic/wine.html"



holds periodic meetings after a member of the group has suggested a winelist and set a future date for the wine-tasting, allowing drinkers ample time to buy the wines for the session.

On the day, participants taste the wines and e-mail their wine criticism. Though the idea of this may sound flat, Richard's description of 1990 Chateau Classico Riserva from the Villa Antinori does sound mouth-watering: "The nose had pleasant berry and cherry scents... When first entering the mouth, this

medium-bodied wine hit just enough with acidity and tannins to show potential for a couple more years... Bits of plums and cherries came through the not-too-long, but nice, finish."

Internet shoppers should be able to buy instantly and receive their goods almost immediately. UK Internet shoppers, however, are almost always left frustrated because most sales services are provided by the American sites.

Slowly, however, British companies are trading on-line. A group of

Devon fishermen are providing an on-line service to be called Cockle Shack, selling seafood such as eels, crabs and mussels.

Already Sainsbury has introduced an on-line service selling more than 40 wines ("http://www.j-sainsbury.co.uk"). Its biggest problem, though, is that it lacks an established delivery network. Delivery takes 14 days at the cost of £3.95 for a single case (two cases or more are delivered free). The next-day express delivery service costs £6 for the first case and £3.50 for each

additional one.

Delivery times are restricted to Monday to Friday between 9am and 6pm, so wine-direct is rather inconvenient for working households. Wine-direct is really only a web-based front-end to telephone shopping because although you e-mail your order, you then follow this up with a "real" conversation over the phone. But it is still a laudable first attempt into the virtual shopping market.

The main concern about shopping on-line has always been its security. Companies such as Barclays bank have adopted the secure web system available from NetScape, a service provider, which encrypts each transaction. So the credit card numbers and addresses of shoppers at Barclay's virtual shopping mall, BarclaySquare ("http://www.itl.net/harcleysquare") are hidden from prying eyes. However, no encryption system is absolutely secure.

For Internet shopping to be popular, buying food and drink has to be as instant as holding a virtual conversation about manchego cheese or lobster from Maine Bay. But this remains the essential missing ingredient.

Everything, however, is "virtually" possible. It is simply a matter of time and trust. And when we are able to order pizzas, gourmet hampers, and wines straight from vineyards, we will be able to spend more time talking about food, and less standing in the supermarket.

Some other internet food sites:

- The Web: □ Insect recipes: "http://www.public.iastate.edu/%7Eentomology/InsectsAsFood.html"
- The Jean-Paul Sartre cook book: "http://icemcd.com/wayoe/sartrecbook.html"
- Coca-cola: "http://www.cocacola.com"
- Food quiz: "http://www.film.com/film/misc/foodquiz.html"
- The virtual pub and beer emporium: "http://lager.geo.brown.edu:3080/virtualpub"
- The recipe archive: an index to every recipe on the net: "http://www.vuw.ac.nz/wbo/Amy.Gale/recipes"
- For a "delicious Chinese recipe every week": "http://www.gus.com/cook/cook.html"
- Nottingham's food page: "http://www.innotis.co.uk/index.html"
- Medieval and Renaissance food page: "http://fermi.cla.virginia.edu/gldt/food.html"
- The virtual vineyard: "http://www.virtualvin.com/vvdata/933616683/index.html"
- Newsgroups: "alt.food.chocolate", "alt.food.fat-free", "alt.food.low-fat", "rec.food.preserv", "alt.food.wine", "alt.food.sushi", "rec.food.drink.coffee"

# English apples are the best

**W**henever you buy apples, 2p of the price goes towards the little sticker that you are forced to peel off before eating.

The fact that neither you, nor any other member of the apple-buying public, wants the sticker, will not stop its being there. Why? Because the people at the supermarket checkout are not sufficiently familiar with different varieties.

We are not talking exotica here: the varieties on sale in most supermarkets are limited to a few of the most standard. It shows the levels to which the appreciation of this glorious fruit has sunk.

People get very exercised about apples. The idea that the French have been trying to dump large quantities of their beastly Golden Delicious, originally intended for Scandinavia, where French products are being boycotted, on to the



English market inspires distinctly un-communautaire sentiments among growers.

Hardly surprising: English apples are the best in the world. This year, unexpectedly, there seems to be a good crop. Experts had thought that the Saharan summer would shrivel the fruit, but the trees I pass seem to be in surplus.

An apple glut would be a serious matter. There are more than 2,000 varieties of apple in the National Fruit Collections at Brogdale Horticultural Trust, but the ones I find myself encountering at this time of year are generally from the variety known as the Wrong Sort.

Everyone knows the Wrong Sort. It is, for example, an absolute speciality of my parents-in-law's garden, producing either hulking bags of cookers (which being too voluminous to use, tend to decompose accusingly in the kitchen) or tart little eaters, with a bruise on one side and a wasp hole on the other. Oddly, there never seems to be any shortage of them. One of the joys of owning a horse is feeding him apples from the garden.

But experience of the Wrong Sort does not dampen my enthusiasm for English apples. On the contrary, like listening to amateur piano playing, it heightens my pleasure. Like our wholesome, satisfying granary bread, the English apple is one of the products that the French should howl down before they really mean what they say about food.

Unfortunately, just as great champagne houses do not always declare a vintage, English orchards do not produce a constant supply of apples. Too many this year, not enough, perhaps, next. This is anathema to the supermarkets. But the good news is that even the supermarkets are trying, in however small a way, to improve. This year, Tesco, not everyone's idea of a specialist horticulturalist, ventured to take a stand at the Chelsea Flower Show.

It spent thousands of pounds creating a magic apple tree, to demonstrate the eight varieties of English apple which it is now selling in its stores.

Eight is not many out of Brogdale's 2,000. But, as the little stickers demonstrate, the background of connoisseur

# Wine / Jancis Robinson

## Why buyers need cellars

**E**ditor Harry Eyres begins the new *Wine & Food Guide* (1996, £13.99, Penguin) with a thoughtfully provocative rant entitled "Youth Culture and Supermarket Wines".

He says that in their worship of "fruit-driven" wines, in which youthful primary fruit flavours are all, the supermarkets have, with few exceptions, virtually abandoned wines which have acquired the graceful, and much more complex, patina of age.

"After all, if pure fruit flavours are what you are after, why not buy Ribena instead of Cabernet Sauvignon, or a fruit salad rather than some New World Chardonnay?" he asks, only slightly disingenuously.

Because of the power of the supermarkets, more wines are made to display simple, obvious and often short-lived aromas; mature wine, indeed fine wine of any age, continues to represent a shrinking proportion of bottles sold in the UK.

As my colleague Edmund Penning-Roswell has already asked on these pages, who is going to continue his own tradition of laying down wine to drink many years hence?

Modern architecture is in some sense to blame. Sustainably cool, dark cellar space is vanishing. And our collective nervousness about storing wine with third parties has been shaken by some well-publicised disasters.

May I suggest, however, a worthwhile compromise between buying the brash supermarket stars and the smug, complex, but usually fiendishly expensive age-worthy classics?

The answer is surely a category which I may as well call Non Blue Chip France, Red Chip France perhaps.

The trick is to head for non stratospherically-priced French wines which, when young, deliciously represent

not just a grape but a place and which, unlike so many of their New World peers, have the ability to age.

Although this is a wild generalisation, and overt fruitiness is beginning to make an appearance in some French wines, France is still by far the most important source of confident, subtle, geographically expressive wines. (Good heavens, even arch modernist Oz Clarke confesses that France is his first love in his new *Wine Atlas* from Little, Brown.)

Some of the world's most interesting wines can therefore be found in the £5-£10 bracket of a good wine merchant's French section (and thanks to *le franc fort*, prices are almost certain to rise).

The sumptuous 1994 vintage in Beaujolais, for example, serves as a reminder of just how good serious Beaujolais can be (if that is not an oxymoron). Lay & Wheeler has a fine selection, of which the stunningly juicy Julienas, Domaine du Clos du Fief 1994, Michel Tete and the equally seductive Chénas Vieilles Vignes, Hubert Lapiere 1994 at just over £8 a bottle each, show just what French Red Chaps can do.

Anything Lay & Wheeler does, Adams of Southwold invariably does too and indeed its Chénas, Bernard Santé 1994 at £8.10 bodes wonderfully well for the future as well as providing a gorgeous mouthful already.

The Wine Society of Stevenage (01438-741177) is also serious about Beaujolais and its Brouilly Vieilles Vignes 1994 at £7.85 from the low-yielding vines tended by energetic Jean-Paul Dubest is as sappy and substantial as one could reasonably hope for from any red wine designed to be drunk at any point in the five years after bottling. All of these wines have much more guts

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## TRAVEL

# Richer than the finest mosaic

Nicholas Woodsworth meets an old priest in Cyprus and is stirred by his simple faith

I was headed for Sipahi, a hamlet not far from the tip of Cyprus's Karpash peninsula, looking for a church. Ayia Trias, a 6th century basilica there, is reputed to harbour some rather fine mosaics executed in the style of the school of Antioch.

My excitement over such a prospect was containable; I am no specialist on basilicas, and even less on Antioch-style mosaics. But Sipahi lies in the most isolated and undeveloped part of northern Cyprus, itself one of the most isolated and undeveloped parts of the Mediterranean. I was curious. Mosaics seemed as good an excuse as any.

Harsh light bounced off every surface as I drove along that morning. It was difficult to look down the slow, pot-holed road without squinting. This was a deserted, biblical landscape, a sun-scorched Levantine plain that offered little of the comfort we associate with the Mediterranean.

Flocks of sheep wandered through rocky hills and on to wheat fields lying dry and stubbly after the harvest. Groves of tough and gnarled olive trees stretched away on the desolate landscape while, on the edge of still and silent villages, tethered donkeys stood somnolent under trees,

their heads drooping in the heat.

The villagers themselves were not much livelier - seeking cool under grape arbours or on the shady terraces of village cafés, they drowsed over empty coffee cups, their worry beads idle in their hands, their whiskery chins sunk too low even for idle talk.

The impression of abandon, of depopulation and decline, was no illusion. In 1974, the Turkish army invaded northern Cyprus to prevent Greek Cypriot extremists from forcibly uniting Cyprus with Greece. Amid the fighting and confusion, 180,000 Greek Cypriots fled to the southern part of the island leaving homes, villages and farms to be claimed by a Turkish Cypriot minority, just one-fifth of the total population. The villages of the Karpash, predominantly Greek, became ghost towns overnight.

More than two decades later, that ghostly feeling remains. In each village square stands a well-maintained monument of flags and marble busts honoring the alliance between Northern Cyprus - today a self-proclaimed Turkish republic - and Turkey itself, still an armed military presence in the area.

The animosity and distrust engendered by the age-old feud between Greek and Turk persists and the island remains divided. But if the Greek south, supported by mass tourism, is steaming into the future, the Turkish north, embargoed and unrecognised by the rest of the world, continues to drift in some timeless limbo.

To see this in the Karpash, you need only glance at the houses surrounding the village squares. Some have been claimed by Turkish Cypriot families. Others have been turned into dovecotes, stables, chicken coops or dishevelled outbuildings.

Most, though, are simply disintegrating, their windows long broken, their roofs caving in, their plaster walls falling away to reveal raw stone and red brick. But enough plaster remains on some former Greek houses to see that old arguments have resurfaced: revealed through daubed coats of paint that attempt to efface them is graffiti proclaiming "Enosis" (union with Greece).

What caught my eye particularly as I drove through Merzlik, Ardashan, Turnalar, and other old Greek towns were their Orthodox churches. Some were tiny, barrel-vaulted chapels barely the size of a small room; others were fully-fledged, three-aisled, domed and columned basilicas large enough to accommodate entire villages.

None of them was functioning, though - at least, not for the purpose it was designed. Most were locked and, like the uninhabited houses, falling slowly to pieces. One atrium had become the winnowing ground for the wheat harvest, another a parking lot for lorries. Those churches that were kept up had odd additions tacked on: fitted with minarets and loudspeakers for broadcasting the call to prayer, they had been converted into mosques.

I failed to find Ayia Trias that day. But it did not matter for, in stopping on the edge of Sipahi, I came across something far more intriguing. Below, the sea lay blue on the horizon. In the field beside me, a row of women in bright head scarves were bent low, picking potatoes. A little further on, windfall oranges lay rotting in the red earth. But opposite me, from the open door of a church much smaller than Ayia Trias, issued the sound of a chanting voice.

This was not a mosque for, above its whitewashed walls and blue-painted doors, stood a small bell tower and cross, intact. I approached and peeked in. There, a priest not much more than 5ft tall, dressed in the blue gown and round, black felt hat of the Greek Orthodox church, was conducting a service. He was, apart from me, the only soul about.

Standing to one side of the iconostasis surrounding the church sanctuary, he was swinging a censer in front of a painting of the Last Supper. When he saw me, he stopped in surprise, then resumed his chanting, lost amid gilded icons of saints, virgins and martyrs.

The precise details of the church, abandoned by Sipahi's congregation two decades ago, escape me. What I remember is this solitary, vulnerable man's tiny, bent frame, the long hair gathered at the back of his head, the strong face, the grey-white beard spilling out over the threadbare robe.

He disappeared behind the apse, then returned carrying a white wax taper which he handed to me, indicating candles already burning in a tray of sand. I lit it, then let him show me to the nearest of dozens of empty chairs. He sprinkled me with perfumed water and then proceeded with the service - prayers, scripture reading and singing.



When it was over, he doused the candles, locked the doors and led me through the long, sun-dried grass behind the church to the little cottage where he lived. It was poor and simple in the extreme, whitewashed and blue-doored like his church, and divided by curtains into three parts for sleeping, cooking and sitting.

"Ah! Ah! Ah!" the priest sighed, painfully, as we sat down at an old wooden table. His hands were shaky and deformed by arthritis, his eyes rheumy and watering. Under the luxuriant beard, there was

not a tooth in his head. He made Turkish coffee. While we waited for the water to boil, he began showing me a pile of old photographs. All of them pictured village peasants, scrubbed and smiling and dressed in their Sunday best. Who were they? His former congregation? Had he baptised these children, married these couples, buried these old men? Why had he not fled south with the rest of his people almost a quarter-century before?

I could not tell. For me, these people shall always remain without a history, for the priest spoke not a word of English, and I not a word of Greek. He talked nonetheless, explaining each photo, and I listened, nodding.

It did not really matter that we did not each speak the other's language. I am not much of a Christian, and admire its brand of chauvinism no more than I admire Moslem chauvinism. But here was something infinitely richer than the finest of Antioch mosaics. In his solitude and simplicity, his refusal to abandon his belief and a church now deep inside a foreign land, I had to admire this man. Why, I wondered, is faith so much more attractive in adversity than prosperity?

The priest could give me no answers and I could ask him no questions. Instead, we remained content with the photos, sipping sweet coffee and gazing out the front door at a lemon tree that grew there in the tall grass.

# The greatest road to glory, after the path to Rome

Adam Hopkins takes the well-trodden route to Santiago de Compostela

Quite a few folk, as Geoffrey Chaucer famously observed, positively long to go on pilgrimages. The author of the *Canterbury Tales* linked this predilection to the month of April, with its sweet showers, spring flowers and birdsong - "smale foweles maken melodye".

But should you decide, as a modern-day observer, to take the road to Santiago de Compostela, in north-western Spain, you will find pilgrims at any time of year. The route was for centuries, and still remains, the greatest pilgrims' road of Europe. (It was challenged, historically, only by Rome. Jerusalem, often inaccessible, was a different matter.)

So there they go, in their brightly-coloured, cootproof walking gear - although

maybe with a staff and scallop shell as well - trudging painfully across the Pyrenees, or hiking, or riding (both are permitted methods of pilgrimage, entitling you, with some qualifications, to a certificate called the Compostela).

Then they slog through the Pyrenean forests, on through wheat and vines and magnificent scenes of cliff and gorge and mountain, traversing Navarre and the Rioja and the great plains of León, until finally attacking the steep Bierzo Mountains, marking the entry to Galicia.

Although there are several variants, the main route is 800km in length from the Spanish border to the supposed tomb of Santiago, St James the Apostle.

For walkers, the pilgrimage usually takes from 30 to 40 days. Most people stay, for a nominal sum, in pilgrim hostels of variable quality.



Father Jaime Garcia, head of the Pilgrims' Office

Gabrielle Margheuer

I followed the route during the summer, as I have done before, marvelling at the rich accumulation of art and architecture along the way - of monasteries, churches, hermitages, original hostels, wide-arched bridges, mostly Romanesque and marked at every

point by the humble, often wonky and thoroughly humane sculpture of the period.

The original pilgrimage seems to have been genuinely pan-European, bringing in, at its height, up to 500,000 people a year. Most modern pilgrims,

unsurprisingly, are Spanish. Germany and France follow, with Dutch and British next and just a few unexpected participants - Icelanders and Japanese, for instance. (There is an excellent Japanese guidebook to the route.) The minimum terms for gaining the Compostela are 100km of the route on foot or 200km by bike. Some 100,000 people accomplished this in 1993, the last Holy Year (when St James's Day falls on a Sunday), with figures down to a more normal 16,000 in 1994.

The Spanish church believes that more than two-thirds make the journey for religious reasons. Most of the rest state that their aims are cultural as well as religious, while some 3 per cent describe themselves as purely cultural pilgrims - and therefore receive no Compostela.

One Belgian penal institution - heavily averse to publicity - allows its young inmates to make the pilgrimage as an alternative to confinement; and this year, I encountered several German social workers taking their charges on the route.

"These are young people with many problems," said one of the social workers. "It's important for them to do something absorbing and enjoyable, have a laugh along the way. But they have to realise, too, that they must confront the necessity of change in their relations with society."

Change is the watchword. Some, even if good Roman Catholics, do the pilgrimage as a physical challenge. Others think about it for years, then undertake it as a reaction to a particular trauma - the death of a child or parent, involuntary retirement and so on. This group, undoubtedly, is seeking change and re-evaluation of their lives. As they travel, so they embark on deep and often unexpected experience, full of new insights, even a sense of revelation.

"That's it," says Nancy Frey, an American anthropologist who is engaged in a study of the Santiago pilgrimage. "They are unwrapping the onion of identity, deliberately opening themselves to change."

"That's it," says Don Jaime, more prosaically Father Jaime Garcia, long-term head of the Pilgrims' Office in Santiago and the acknowledged, if sometimes controversial, genius of the route. "The true pilgrim has a desire for inner renovation and is actually tackling the enormous questions, the meaning of life, the purpose of creation."

It is Don Jaime who must sign the pilgrims' Compostelas, or not, if he does not reckon they are bona fide.

Most new arrivals go first to the cathedral, that wonderful building with its great 18th century facade concealing the Romanesque portico of Glory, multi-statted, and the gaudy image of Santiago just behind the altar, with a brass cockle shell attached to its back, shiny with the kisses of the faithful.

The next step is to report to Don Jaime's office. Some come bursting in in tri-



The cathedral in Santiago. First stop for pilgrims

Adam Hopkins

umph, looking as if they want to scold him and his helpers in a huge bearing. Some shake their heads sadly and coo-fusedly, the end having proved surprisingly painful. Don Jaime looks at them, asks them a question or two, and signs their Compostela - or not - as he thinks fit.

"Hombre," he says, "I have to defend the value of a document descended from the Middle Ages. It isn't a matter of tourism. If you come for cultural reasons we will give you a certificate of welcome to the cathedral, not the Compostela itself."

"But can you believe it, some people want Compostelas for their dogs or for babies at the breast. A child has to be 10 years old before we can assume that he or she has made the pilgrimage as a mature act of independent choice."

Just as he says it, the door crashes open and in flies the father of an eight-year-old. An independent Compostela is declined. A joint Compostela

with his father is offered, subject to Don Jaime's ratification, by the outer office.

"Are you a Catholic? Are you even a Christian?" shouts the raging, raving father. Suddenly, I realise what Don Jaime, custodian of the pilgrimage, is up against. As I leave him, he is opening negotiations with a group of American students from Alicante. They have only done 80km along the way and want a Compostela all the same. I hope they do not get it.

There are, however, other rewards apart from spiritual ones and Compostelas, for making the pilgrimage.

The first is a sense of belonging, for a few days at least, in proper historical succession, to the magical, granite city of Santiago, where flecks of mica make the grey stone shine so that the buildings look as if they are wearing jewellery and where good shellfish restaurants abound. It is a

wonderful place, even if you are not a pilgrim.

Then there is the matter of the less expensive meals. Ten pilgrims a day - first come, first served - can take their breakfast, lunch and dinner, completely free, at the magnificent 15th century pilgrims' hostel adjacent to the cathedral, the Hostal de los Reyes Catolicos, no less, now one of the finest hotels in Spain.

But they have to go in by the garage, go 100 metres or so through tiled corridors, and ascend many flights of stairs before they may eat the food supplied for the staff canteen - good food, but something of a fall from earlier days, when the building was theirs alone and there was no question of hiding them away from hotel guests.

Then there is the botafumeiro, the cathedral's enormous incense-holder, hauled on its long rope by a team of religiously-garbed muscle-men. It swings over the heads of the congregation, on Saint's days and other special occasions, from transept to transept, in a wild, flattened arc, extremely dangerous in appearance, trailing its clouds of sweet-smelling smoke.

But even this is not enough for some. Unsatisfied, unable to stop, many continue on to the coast, to the great cape of Finisterre, (Galician Fisteria), where Europe ends and the blue yonder definitively begins. This is the place to watch the sun go down in the far west, in echo of Celtic sun-worship, and - who knows? - completion of a pilgrimage far older than that of Santiago.

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## FACTFILE

Adam Hopkins travelled Plymouth-Santander with Brittany Ferries (Tel 01752-221321). A car and up to five passengers, on an eight-day return in autumn, costs from £404 with cabin extra.

On finishing the route, he stayed just outside Santiago at 11 the Casa Grande de Corredo, a traditional stone house run as an elegantly rural B&B, stuffed with contemporary Galician art.

Owner Ramon Pouso, university lecturer and journalist, is a noted, if somewhat sceptical, authority on the Pilgrims' Way. Maria Jesus Castro, his wife, co-owner and teacher, runs the B&B. Tel (from UK) 00 34 81 - 80 55 98.

For information on the pilgrimage, Confraternity of St James, 3 Stamford Street SE1 9NT. Tel: 0171-693 0013.



TRAVEL

# They shoot to kill on top of the world

Leslie Gardiner encounters fierce tribesmen and ferocious beauty on the north Pakistan border

Fourteen degrees of latitude - 850 miles - separate far north from far south in Pakistan. On the Indus delta, last weekend, the heat cracked the thermometer. Here, in the Mountain Inn at Chitral, the water-pipes are frozen. No temptation to lie in bed. Just as well, because the sign in the bedroom reads "check out 7am".

Every morning the handyman comes in with coffee and says the sky is clear, we shall get away today. Every morning we await the airport manager's red jeep and, every morning, he brings to say there is mist on the Lowari summit and snow at Shangara and the flight is cancelled.

The sun is up. The snows of Tirich Mir gleam like a sugar loaf against a cobalt sky. Tirich Mir looks close by. But from the Mountain Inn to base camp it is 130 miles.

On our verandah, anxiety draws the birds of passage together. My neighbour, a precious-stone merchant, should have been in Peshawar two days ago. Every postponement puts more pressure on aircraft seating space. "But your seat is booked?" "Yes, but

now she tips them into the merchant's lap. He produces tiny cablers and a tiny gold-rimmed magnifying glass.

"This is ruby, what we call burnt ruby, not much valuable. This is blind tourmaline, no value. The lapis is genuine but too pale. Lapis must be pure blue like the deepest sea."

A British Army order of long ago, inviting officers to transfer to the north-west frontier forces, mentioned as an inducement that "the shooting and the scenery make Scotland look tame".

According to Gulab, my guide, opportunities for shooting are matched by opportunities for being shot. He declines to come walking with me.

Certainly, you plunge into adventure the moment you leave the inn. Here and there, a bearded tribesman sits on a cliff edge with a rifle across his knees. He will snipe at the stranger as readily as at the snow leopard.

In and around Chitral most men bear arms. Our hotel proprietor has a revolver and lets his small daughter play with it. Colonel Ahmed, another guest, keeps a neat pearl-handled job under the lapel of his raincoat. He is here to look for a missing person.

"When Europeans go missing they make trouble for us," Colonel Ahmed is looking for an American boy whose mother has now arrived in Pakistan. "He stayed at Mountain Inn, then moved to a cheap place called Drenland, behind the bazaar, then disappeared. I look first for him higher up, where they grow the best hash."

"It is a chase of wild geese. He has probably crossed into China or Afghanistan. These young people are not often found. When we find them they don't want to come with



The mountain tribespeople in north Pakistan are often brilliantly costumed

Sarah Murray

us. I can show you two American girls in this valley, they married nomads from Kafiristan."

Next day the flight is again cancelled. I stroll down to the bazaar, a mile-long street edged with storm drains and open stalls. A sign in Urdu and English says the speed limit is 5mph through the bazaar. But the carriage is hardly wide enough for a loaded mule, let alone a jeep.

To tribal folk, who come through the snows from Kafiristan and Nuristan, from Dosh, Birir, Ish, Lasht, Brep and Buni, bringing woven cloth and taking away bales of wool, this is a Golden Mile of commerce and entertainment.

Eyes blink and heads swim at a bustle of cheap, bright

rubish, skins and jewellery, carpets and kitchenware, tea, tobacco and goatskin cloaks, frizzling lamb-and-onion patties deftly tossed to customers from the pan, hot *khich* of rice and custard. Chitral bazaar, the Asiatic equivalent of a gauntlet of car-boot sales, is loud with the voices of snake-charming purveyors, of constipation remedies and of peddlers offering 99 clean rupees notes for 100 dirty ones.

At the foot of the bazaar, between a mosque and a disused polo ground and behind a row of cannon, stands the stately bome of the old kings of Chitral.

The palace is now offered for sale at £15,000. Though its silver arches are tarnished, the sparkling lapis fallen from its

domes, its pavements cracked and choked with weeds, it looks a bargain.

I, who have yet to see the Mogul tombs, the Shalimar and the Lahore Fort, am impressed by the grandeur that must have been.

"The King was master here," says the courtyard sweeper. "He could do anything. When the princesses went through the bazaar, hunters with whips went before them. Get out, get out, get out."

The old courtyard sweeper seems to hanker for the days of feudal extravagance. They were not so long ago. The Crown Prince, he tells me, is still alive, working for the government as an attaché at the embassy in Ankara.

The sweeper hangs up his

broom, takes out a polishing rag and starts buffing up the brass plates on the cannon.

They are inscribed "Mountain gun - Armstrong Whitworth, Newcastle-upon-Tyne, 1912". I wander through poppies, yellow and blue, to the zenana or harem. Although it too is falling down, and mynah birds are chattering in its chimneys, an old crane chases me away.

Back at the inn the French girls - the first women I have seen all day except for the guardian of the zenana - have learned that our flight will almost certainly arrive from Peshawar tomorrow.

Dawn breaks with a yelping of dogs, a shrieking of cockerels and the tinkle of the coffee tray. The flight is on its way. We embrace our host, find a

few sweets for his daughter and climb aboard the airport manager's red Jeep. Rough tribesmen and their veiled women are on the runway as the small transport aircraft taxis in.

They are hardened travellers, the colonel says, but they know nothing about machinery.

The wheels crunch the gravel, the passengers crunch their take-off caramel of coriander and betel nut. We climb steeply towards the zig-zags of the Lowari pass. Already Chitral's bazaar is a short piece of brown string, its palace a chip of onyx, its river an ice-blue necklace. The settlement looks as though it was dropped by accident, some time ago, in the wilderness of the snows.

## FACTFILE

Pakistan International Airlines operates daily flights, weather permitting, between Peshawar and Chitral (60 minutes). The same journey by Jeep on rough roads takes about 16 hours. Chitral, and some of its neighbouring valleys, are becoming tourist areas. Government motels and rest houses are adequate for present numbers.

PIA operates a weekly "Air Safari" from the capital, Islamabad, a whole-day flight direct to the northern areas and along the chain of the Karakoram, with remarkable views of great peaks, including K2. The trip costs £145 for a guaranteed window seat.

For tourist programmes contact: Pakistan Tourism Development Corporation, Suite 433, High Holborn House, London WC1V 6BS; or PIA, 1-15 King Street, London W6 9HR.

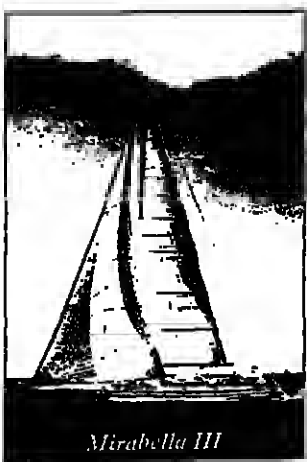
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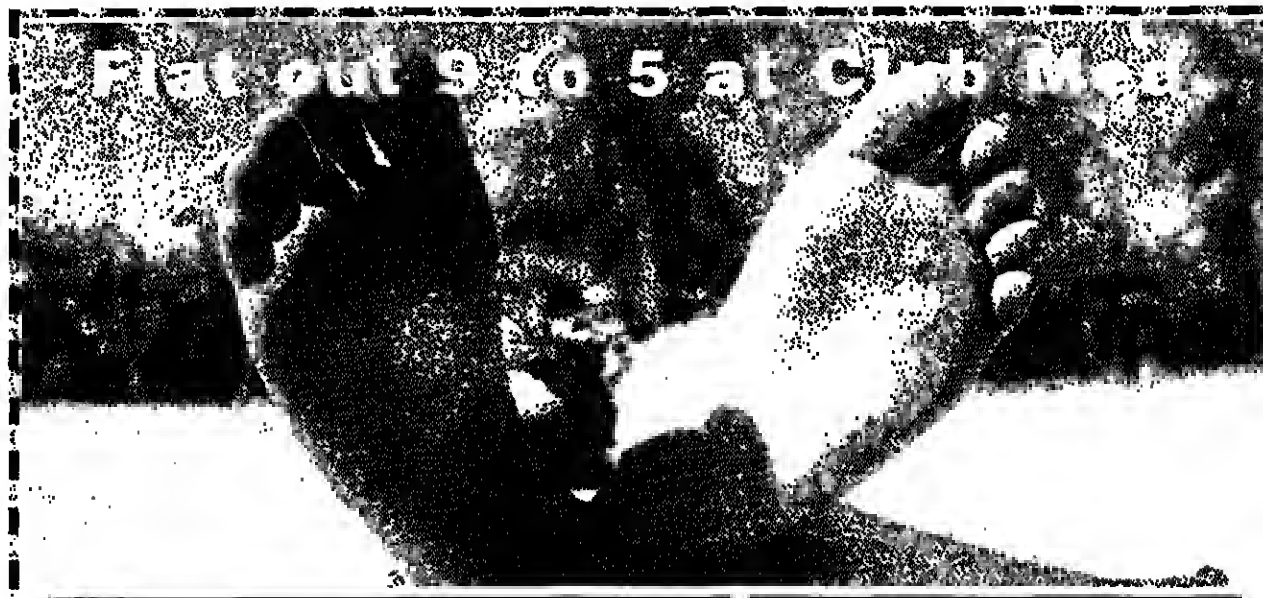
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## PROPERTY

**D**evelopers get very worked up about how planning authorities treat them, says John Hunter of Northacre, "especially when their projects are listed buildings or in conservation areas". Northacre has recently won an environment and conservation award from the London Borough of Kensington and Chelsea for its sensitive, albeit luxurious, redevelopment of Observatory Gardens, a French-style *fin de siècle* terrace in W8. It comes as a neat finale to many rounds of haggling with the council in the planning stage.

Difficult negotiations are no surprise to commercial developers - they have seen it all before. They know councils vary in what they will allow and they follow Churchill's dictum that jaw jaw is better than war war.

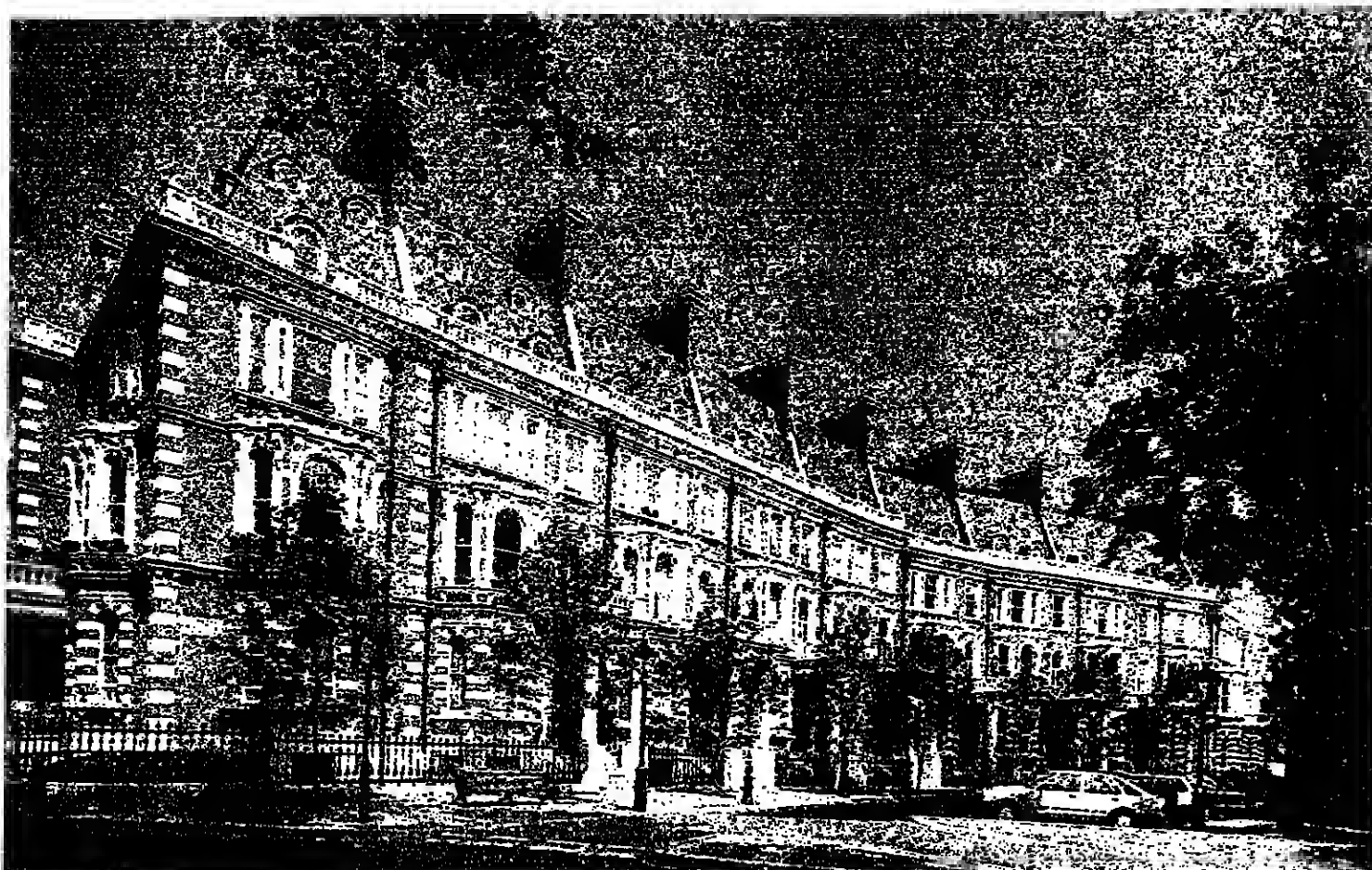
For the private owner it is different. How can they best prepare themselves? For a start, follow business practice. Accept that planning norms differ from council to council, and start talking with the planners as early as possible. If the first discussion is only about the generalities of the scheme, so much the better. It may well prevent your architect from preparing unusable - and expensive - drawings.

Kit Martin, who saves country houses from collapse by converting them into individual vertically-separated houses, has found planners "helpful and positive" with his recent applications. "But, remember, the houses are already seriously at risk when people ask me to get involved."

Martin insists that any purchase of a house for conversion is contingent upon planning consent. At his new project, a house called Maristown in Devon, the South Hams district council was so concerned to save the building that it dealt with the application in the fast time of 10 weeks.

The time councils generally take to process applications worries developers. "To them [the planners] time means nothing," says Hunter. "To us, it means pounds, shillings and pence." Klas Nilsson, Northacre's in-house architect, would happily pay more for fast-track planning decisions, particularly when he has to recalculate building regulations intended to ensure safe and sound structures with the demands of conservationist purity.

"Every little detail is being checked, from cornices, architraves and fireplaces to handrails on the staircases" at Northacre's new scheme of restoring the early 19th century Earls Terrace, Kensington. With the floors often 4ins out, it would be easier and cheaper to remove them. "But we cannot do that. We have to put in intermediate floors, and keep the original



After many rounds of haggling with Kensington and Chelsea council, Northacre has won an award for its sensitive redevelopment of Observatory Gardens, W8

## When jaw jaw is better

Save money by talking to the planning authorities first, says Gerald Cadogan

floors hidden. Councils ought to trust us [as reputable developers], Hunter and Nilsson said, adding that at Observatory Gardens they had put the porticoes back although that had never been made a condition of the planning consent. "We almost had to beg them to let us put them back."

Unfortunately, mistrust can build: the councils become afraid of setting precedents and the developers turn to barter, asking for more than they want on the assumption that the planners will say to themselves, "Let's see what we can find wrong," and scale down their requests.

Local politics are often involved in this disheartening process. The mistrust can arise as much from the attitudes of the elected councillors on the planning committee as from the impartiality of the rules were intended to create may be overturned. Businessman Ross Brisbane

feels so bruised by the saga of building Appletree House outside Winchester and finding himself in the centre of a local hornet's nest that he has put the house on the market. (Designed by Winchester architect Graeme Stevenson, it is available through John D. Wood for £235,000.)

His stories of parish pump rumours - "people knowing what I was going to do when that was not the case at all" - will be familiar to anybody who has been at the wrong end of village gossip.

Winchester City Council planning officers tried to be helpful, he agrees. But local councillors had other ideas. "I did try for a fishing lodge" to go with the large house he was building in an old walled garden. "The officers thought it was all right. But the parish council did not like it in a village environment."

The house itself is a prominent new structure in the grounds of a listed building, in a conservation

area in the beautiful valley of the river Itchen. "It made me the cause célèbre of Twyford (an earlier cause célèbre was the furore over Twyford Down and the M3 motorway). I wanted to live there and enjoy it with my children. But now I don't want to live there again," says Brisbane.

Owners of listed buildings contemplating works should consider how much the buildings are at risk. If there is no danger of collapse, Kit Martin finds that councils are "not keen to agree to works that are not necessary and alter the character of the building". Change of character was a reason behind South Northamptonshire Council's refusing Michael Heseltine permission last year to that a cottage he owns with Norfolk reed; he should have used the wisper long straw - the traditional local material.

Individually, these decisions may seem pettifoggery. But let them

accumulate, and the changes to ancient cottages by adding unusual roofs and installing uPVC windows soon alter the look and the feel of a place. A new book called *Living with a Listed Building* by Josephine Cormier (£14.95, Courtland Books, 01865-344168) points out that "the law is drawn up from the point of view of the whole of society rather than the individual".

Cormier's book has sensible and sympathetic advice. She explains the law on listed buildings, and how to prepare and negotiate applications for listed building consent (with specimen applications). Above all, she says, do not seal old buildings so tightly that nowhere is left for condensation to escape. Rot may set in. And the fire will smoke because of too little ventilation.

■ *Observatory Gardens, Knight Frank & Rutley (0171-938 4311) and Savills (0171-221 1751). John D Wood in Winchester: 01662-363131.*

## Cadogan's Place

### So you want to farm the outbuildings?

**T**he spiralling price of arable land, now regularly fetching £2,500 an acre and sometimes £3,000, is putting paid to businessmen's and financiers' dreams of buying a farm - perhaps using a rollover relief on capital gains from selling a business. Start up costs have become too great.

For a minimum, say, of 500 acres with a good house and the farm buildings, the price could easily be £2m, before buying the machinery, stock, seed and fertiliser. Competition from neighbouring farmers eager to buy the parcels of land and achieve greater profits through economies of scale, would ensure that the vendor obtains the full price.

But there is an alternative way of making a commercial income on a farm. Do not work the land, work the farm buildings. Buy a farmhouse big enough or capable of extension, with sufficient land to keep a few sheep, perhaps, or for your hunter and the children's ponies. (If more fields are in the sale, you can sell them on.)

The main commercial requirement for this purchase is a good range of farm buildings. You can then apply for planning permission to convert them into business units as offices or for light industrial use, possibly including some flats above the shop. Typical rents would be £4 to £5 a square foot but tenants pay between £250 and £50, as I saw recently at a farm in Bedfordshire where the yard was full of cars.

Inside the farm buildings a company importing food-packaging machinery, a printer, a New Zealand-based company handling aids for the partially-sighted and a genetics company were at work. One end of the buildings is a cottage for the caretaker. There is a steady income from contented tenants. Aetna, which handles the packaging machines, is so pleased with its working environment that it has asked the owner Peter Merriken to make more space; it has grown in a few years from four to

18 staff. Merriken also owns nearby Eastfields Farm at Melchbourne near Kimbolton, but has put it up for sale - for £500,000 through Bidwells (01604-605050) or Robinson & Hall (01234-352200). It is a 18th century farmhouse with 30 acres and rolling views in every direction. Merriken has already begun converting the farm buildings, which have planning permission allowing for some flats for people using the business units only. (A buyer might want to vary this to business use only so as to have it to himself at weekends.)

It is far from clear how long the present bonanza in traditional farming will last. Here is a scheme which is not reliant on the CAP, costs considerably less to fund than buying land and encourages diversified rural employment. We shall see many more like it.

The stable block at Cornbury Park at Charlbury in Oxfordshire, designed in 1870, looks so grand at the end of an avenue of chestnuts that the visitor could be forgiven for thinking it must be the big house built for Lord Clarendon. Indeed, the stables, a handsome Palladian building, afforded the horses' all the dignity they deserved. The conversion into smart offices would be ideal for a company that needed to be near Oxford but might prefer a 400-acre deer park to one of Oxford's business parks.

The conversion is being done to the highest standard - with masons from Yorkshire - which will bring the elegant listed grade II\* building back to its original glory. It is hard to imagine a more attractive and impressive workplace. The rent (initially £140,000 for 10,450 sq ft) will help to fund the maintenance of the rest of the estate - and make Cornbury an even better place to be. The agents are Clegg Kennedy Drew (01608-810355) and James Offen (01865-512994).

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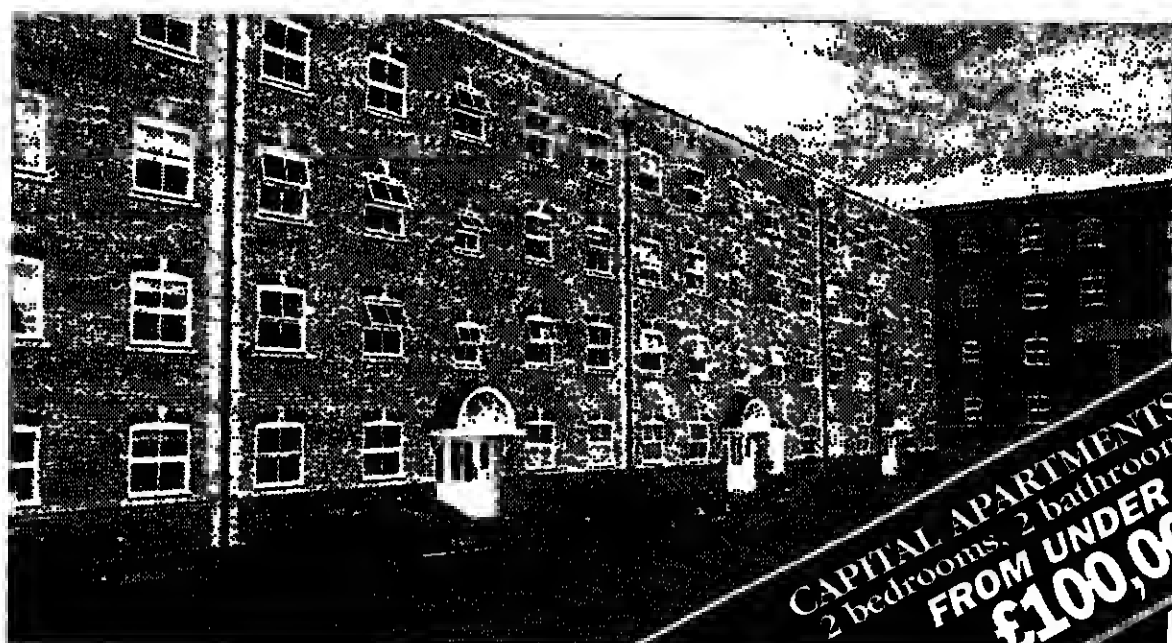
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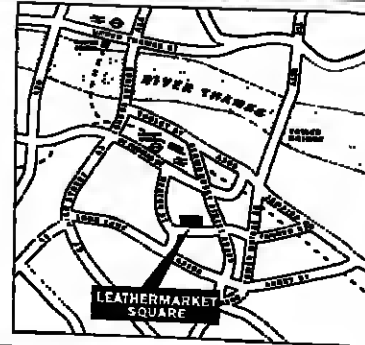
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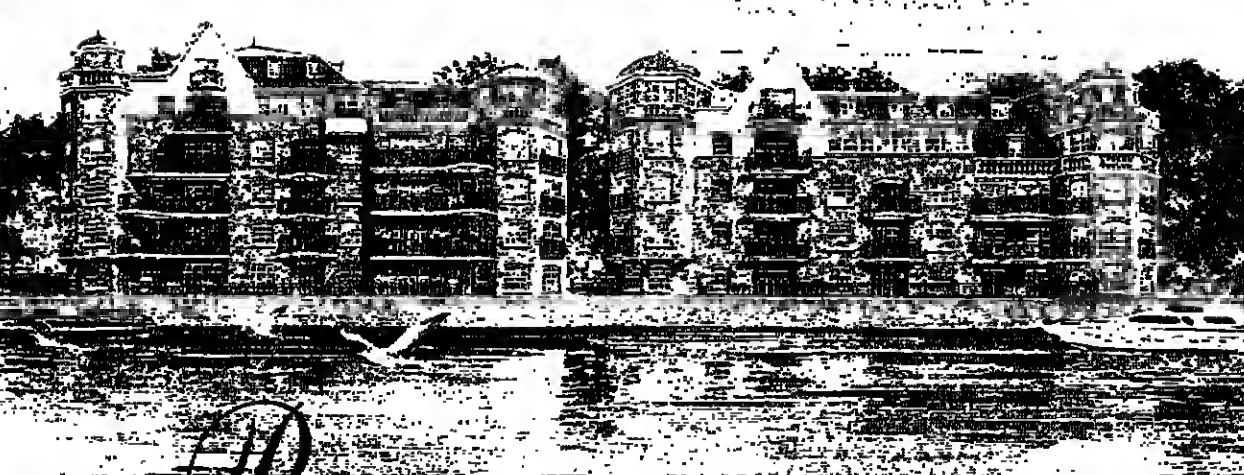
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## BOOKS

# The art of making science add up

**E**M. Forster's motto was "only connect". Making connections is the essence of understanding. To grasp an idea is to see its connections with other ideas; how it follows from them, or implies them, or combines with them into more complex ideas. Another Forsterian way to understanding is offered by analogies. An analogy is an illuminating connection between different concepts, as when we represent relationships among people or organisations as a network, or describe a city as a jungle to capture its stressful and sometimes risky complexities.

Because analogy and metaphor help us to understand difficult concepts via simpler ones, they are powerful educational tools. But it takes skill to choose the right analogies, and to exploit them to the full. Both Peter Atkins and Ian Stewart have that skill, using clever and highly entertaining techniques to explain their sciences, respectively chemistry and mathematics, for readers who are

virgins in both. One is bound to applaud their publisher too, for an outstanding achievement in realising the "Science Masters" series to which these volumes belong.

Atkins's book is a survey of the chemical elements. Remember the Periodic Table hanging up on the school lab wall, inextricably associated with the smell of rotten eggs? In those austere days the table was presented in forbidding alphabetical-numerological guise, calculated to glaze most youthful eyes. In Atkins's imagination the elements constitute a *Roald Dahl* of the *Lost Ark* land with a Western Desert and a dangerously radioactive Southern Island, and he flies us over it, walks us through it, and takes us underground, to show how the immense luxuriance of the universe arises from the mere hundred or so elements that make it up - all of them, apart from helium, in

effect being variations on just one hydrogen.

We learn how matter began, how the elements were discovered, and how they are named, each in brilliantly brief epitomising chapters. As to naming, Atkins tells us that in making their choices chemists avoid triviality (for example, Mickey-Mouse-ium), blasphemy (god-ium) and obscenity (\*\*\*\*-ium). In two marvellously lucid chapters we are told about the structure of the atom, on the basis of which Atkins makes the logic and harmony of the periodic table breathtakingly transparent. We are told that there is the possibility of a tantalising, yet-undiscovered elemental Atlantis off the coasts of the Southern faland, which might explain, among other things, why some of nature's phenomena are so infinitesimally short-lived. And Atkins describes a bleakly possible

## THE PERIODIC KINGDOM

by Peter Atkins

Weidenfeld and Nicolson £9.99, 163 pages

## NATURE'S NUMBERS

by Ian Stewart

Weidenfeld and Nicolson £9.99, 164 pages

## FIVE EQUATIONS THAT CHANGED THE WORLD

by Michael Guillen

Little, Brown \$18.99, 277 pages

long-distance future for the universe, in which everything slowly turns to iron, then melts away in a cloud of radiation.

Ian Stewart writes with equal lucidity. Everything in the universe has its patterns: the movement of

the stars, the waves of the sea, the rainbow's colours, the tiger's stripes. Mathematics is, Stewart shows us, the art of describing and describing those patterns. There is a thrilling, Sherlock Holmesian character to mathematics, which has what at first seem odd or oblique ways of sneaking up on nature's rhythms to capture them at work. For example, Newton's laws of motion turn on thinking not about the speeds of objects, but about their velocity, which is the more complex concept of speed and direction taken together; and then of measuring the rate at which speed-plus-direction varies - for example, as when a thrown ball rises in the air, hangs momentarily, then falls. Newton's description of these phenomena consists in a representation of their hidden patterns as an equation. In that creative re-visioning of patterns

and relationships lies the secret of mathematics power.

If you wish to know how mathematics makes sense of symmetry in animal movement, or to understand chaos theory, or to grasp the dynamics of a water-drop, Stewart's book is the place to look. With these insights into the revelatory power of mathematics he offers a highly attractive invitation to find out more about this remarkable way of viewing the world.

If these books are models of their kind, Michael Guillen's comically appalling effort is the exact opposite. Wishing to provide a rapidly dramatised account of five important scientific discoveries, Guillen has produced a bathetic narrative that would make a seven-year old wince. For proof and your entertainment let him speak for himself.

On February 29, 1812, Faraday

leaped up the stone steps and rushed through the heavy doors of London's Royal Institution. Symbolically, it was like the storming of Versailles, except it was Faraday who would lose his head, not any of the noblemen who dwelt within. This was the evening for which he had been waiting so long. For years, he had fantasised about this palace of science. And now, as he gawked and walked his way through the opulent antechamber and into the auditorium, Faraday nearly swooned at the reality of it all.

There are nearly three hundred pages of this *Footnote to Science*. If it had appeared first in *Private Eye* it would be a classic "stomping Versailles" is genuinely funny (Guillen never manages to tell his Bastilles from his Versailles) and "swooning at the reality of it all" deserves to become a catchphrase. Guillen shows how popular science writing should definitely not be done.

A.C. Grayling

# Victorian chancellor who made the job

Malcolm Rutherford enjoys one statesman's biography of another

**T**he life of William Ewart Gladstone spanned almost the entire 19th century. Born in 1809, he died in 1898 and was in many ways the epitome of the Victorian era. His politics matched the mood of the age; he became more liberal as the century grew older. As a political leader he arrived rather late: he did not become chancellor of the exchequer until he was over 40 and did not assume the first of his four premierships until he was nearly 60.

Lord Jenkins of Hillhead, some 30 years ago a biographer of Asquith, describes his new work as his "rash literary enterprise". So look kindly

## GLADSTONE

by Roy Jenkins

Macmillan £20, 698 pages

on the first 130 pages or so, for the reward comes later. Jenkins decided that since Gladstone lived to such a ripe old age, the early life must be of interest. It is full of religion, some out very successful courtships, and the University of Oxford. Religion played a very important part in 19th century life; so did Oxford. It was Gladstone's move away from the supremacy of religion (though not from personal faith) and his switch to wider constituencies than the university that helped him to develop from a Conservative to a Liberal leader.

Gladstone was one of the first politicians to take politics to the people. He loved the railways, where trains would stop at passing stations to allow him to address the local crowds. Knowledge of the Britain outside central London helped him understand the way the country was moving.

Jenkins is in many ways the ideal biographer. Both men changed parties, though Jenkins by founding a new one. While Gladstone moved to the centre from the right, Jenkins arrived in the same position from the

left. If Gladstone were alive today, they would have much in common. Jenkins, as chancellor of the university, has all of Gladstone's interest in Oxford. When Jenkins fought his by-election campaign for the Social Democrats, it was in Warrington, part of a seat once held by Gladstone. Jenkins then went off to win a constituency in Glasgow; Gladstone had gone to Midlothian, not far away. And at the height of the Social Democrats' fortunes Jenkins, like Gladstone, was a most powerful speaker.

Above all, both were chancellors of the exchequer, Jenkins perhaps the most successful since 1945. In this area at least, Gladstone is his hero. The chapter on Gladstone's first stewardship is headed "The Chancellor Who Made the Job". So he did. Gladstone's first budget speech in 1853 lasted four-and-three-quarter hours and, as Jenkins notes, it was not just a budget for a year, it established a system of finance for the third quarter of the century. He said he was against income tax, but was not embarrassed to put it up - or down - when necessary. In an unusual flight of phrase, Jenkins credits the 1853 speech with "a strategic daring worthy of Alexander the Great and a thundering eloquence worthy of Demosthenes".

The great work on Gladstone in recent years has been done by Professor Colin Matthew, who edited the voluminous Gladstone diaries and wrote introductions which have been published as a two volume biography, and to whom full tribute is paid here. But Jenkins has one asset lacking to professional historians: direct experience of politics. Thus *Gladstone* is full of references to what came later. For example, "Gladstone, like de Gaulle, was conceived rather than born". And on Disraeli's 1852 budget, Jenkins notes that the official estimates were "pessimistically false, a somewhat persistent Treasury habit". Such comments enliven rather than distract.



It remains that, apart from surviving as a grand old man, Gladstone did not achieve a great deal. As Jenkins observes, he was lucky in his period: a time when British prosperity was at its height and there were no great wars to be involved in. He was the biggest beast in the forest, especially after Palmerston and Disraeli, both of whom he distrusted, had gone. His greatest gift was oratory. Jenkins notes two speeches where Glad-

stone thought was he was most appreciated. One was to an audience of preachers, the other to a group of actors. It was because Gladstone recorded, it knew what he was trying to do.

The irony of his political career was that he went down on Ireland, the subject on which now he would be judged most present. On Home Rule he was ahead of his time; otherwise, he went along at about the pace of

# A socialist among celebrities

**A**utobiographies can be disappointing, when important people turn out to have had a very conventional early life. But sometimes the opposite is true, and someone you thought of as almost a nonentity reveals a quite unexpected past.

So it was when Dennis Walters, a Tory backbencher known only for his fidelity to the Arab cause, recounted his teenage exploits helping the partisans in wartime Italy. And so it is with Graham Thomas, whose recent career has been devoted to championing the cause of Sadiq al-Mahdi, a high-minded but ineffectual Sudanese politician. Thomas's past emerges as much more interesting than his present.

Far from the valleys Thomas certainly went, when in the 1950s he became a colonial education officer in Sudan and Kenya. Actually he was more a grandchild than a child of the valleys, since his father left the pits in the year of his birth, 1921, and moved to London.

Young Graham had a typical (i.e. pretty miserable) working class childhood in South London, leaving school at 14 to work as an errand-boy for Whippell's, the ecclesiastical tailors. But then his father got a job as a caretaker in Chancery Lane. Graham became an office-boy in the City and joined the Holborn Labour Party, which brought him into contact with a galaxy of Bloomsbury eccentrics and crypto-commies. In the latter category was Willy Duesenberg, the Comintern's star organiser of peace movements and anti-fascist fronts; in the former Lella Faithfull, wife of a major-general with "a hush-hush post in the War Office", who would make militant speeches on the Spanish Civil War and then rush off to tea at Buckingham Palace.

But while most of his friends were renouncing pacifism and urging resistance to Franco and Hitler, Thomas moved in the opposite direction, and by 1940 found himself striving to convince a tribunal in Cardiff that he was a genuine consi-

entious objector in the week after Dunkirk. A lonely position indeed, but he succeeded.

There followed two years at an Anglo-Catholic seminary in Nottinghamshire, at the end of which he failed his exams. He went back to Cardiff, and secured a place at the University of Wales where he read archaeology, English, history and philosophy. Why these subjects? Because the lectures were on Mondays, Wednesdays and Fridays, the days he had off from his part-time job in a Welsh nationalist bookshop.

Thomas found another galaxy of eccentrics to describe among his professors, but also ran the Debating Society where he persuaded various luminaries of the postwar Labour government to come and speak, even forcing his way into No. 11 Downing

## FAR FROM THE VALLEYS

by Graham F. Thomas

Book Guild £15.95, 203 pages

Street to see Herbert Morrison. By 1950 he is Labour candidate for Monmouthshire, and married to the party's women's organiser for Wales. They go to Dublin for their honeymoon, armed with introductions to Sean MacBride (then foreign minister) and Eamon de Valera (then in opposition), both of whom lend them cars but neither of whom they dare mention to the other.

Later, through de Valera, they get an audience with the Pope. But by then they have moved into colonial service, and somehow celebrity collection seems to have become an end in itself, rather than an amusing side-effect of a career dedicated to socialism. Actually Thomas cares deeply about the Sudan, but having dealt with that in other books he here confines himself to name-dropping and anecdotes about grotesque colonial "characters", and the book rather peters out. A pity, because the early chapters are excellent.

Edward Mortimer

# Travails of a columnist

**B**y and large, writers are a dull bunch. Grim proof of this has been provided by various authors who have had a stab at becoming newspaper columnists. They have usually failed miserably, coming up with desperate accounts of such key events in their lives as making coffee, popping out to the shops, or - a favourite - fretting about writing a column. One of the few exceptions has been the poet Hugo Williams, who for nearly seven years has contrib-

uted his wryly entertaining "Freelance" column to the *Times Literary Supplement*. These deserve to have reappeared in book form.

Williams does much more than make coffee, pop out to the shops or worry about his

column. For a start, he is very much a part of the literary circuit, performing at readings, teaching at creative-writing courses, attending festivals. In this book he turns up at literary junkies in Israel and former Yugoslavia and reads his poems in such places as the Sussex Motor Yacht Club and Crediton, Devon (where he is typically, terrorised by a justly neglected poet).

He is particularly amusing about the various weird workshops where he finds himself teaching, but why he keeps accepting these invitations is a mystery since he is sceptical of what he calls the "creative-writing scam". Still, they do provide him with great copy, as in his report of the goings-on at Skyrros where his writing group is part of a "personal development" holiday which also offers "Gestalt therapy, psychodrama or psycho-synthesis". Improving pursuits mainly devoted to making a lot of noise. As creative-writing tutor at another New Age rip-off in Spain, he is encouraged to embrace an aged olive tree: "I don't think I can put into words what we were supposed to be doing. Emphasizing with the tree? I'm afraid so."

Williams also makes the

most of his family. He writes entertaining tributes to his father, the actor Hugh Williams, and his mother, Margaret Vyner (who inspired Cole Porter's "You're the Top"), and retelling actor-brother Simon's anecdotes (Joan Collins, who can't return his call because she has "flu" - "Never mind. Couple of days on her feet and she'll be back in bed in no time.") His wife, who just happens to be a tightrope walker, becomes involved with a cherishingly stupid fashion-dance performance in Latvia.

Among Williams's own antics are his ill-fated experiment with transvestism, his attempt to unmask a sexual

## FREELANCING: ADVENTURES OF A POET

by Hugo Williams

Faber £14.99, 241 pages

molester claiming to be poet laureate Ted Hughes, and his attendance at an archaeological dig in France, where he immediately discovers a section of Romanesque relief, only to be told that it is in fact an imprint of his trainers.

Although in his inaugural column Williams describes the lot of a freelance as consisting of poverty, misery, anxiety and despair, he should take comfort in the fact that, with his dry, quiet wit, he has made it hugely enjoyable to read about.

Harry Ritchie

# Fiction/J.D.F. Jones

## Illusions, true and false

**B**rian Moore is sometimes optimistically compared with Graham Greene, which means little more than that he is a "Catholic novelist" who tackles serious themes in an accessible style and is not ashamed to write quasi-thrillers. He made his name with a number of very intense novels set in his native Ulster, but that was many years ago.

In *The Statement* he tells of the last days in the life of Pierre Brossard, a 70-year-old Frenchman who worked with the Gestapo as a member of Pétain's milice and has for 40 years been on the run, protected by the Church and also by elements in the police and emerges, at the highest levels of the French Establishment. The old man is pursued through the South of France by assassins and is sufficiently alert to kill two of them, assuming that they are from a Jewish vengeance squad; the Cardinal has decided that Brossard is no longer to be given shelter; the Catholic right-wing, still sympathetic to his anti-Communist and anti-Semitic self-justifications, continues to protect him.

Moore is therefore writing about a France which is even today still coming to terms with the war and the Liberation. He focuses on issues familiar to the Catholic novelist, such as forgiveness, repentance, contrition; does a priest obey his conscience or his Order? Is the Church's act of

pardon an adequate alternative to mercy, or prosecution, in this world?

This might have made a powerful novel, but the sad truth is that *The Statement* is curiously routine, almost perfunctory, stuff. Moore seems to be going through well-practised tricks without his usual fluency - the pages turn, but there is too little drama or engagement. We have surely been here before, and Greene would have spotted it.

In contrast, Isabel Colegate, whose best-known novel is *The Shooting Party*, has produced a quiet, intense, deeply-imagined book about the discoveries of mature middle-age.

The sister, Edith, pays a mid-winter visit to her brother Alfred in their family home in the Mendips. Both nudging 60, they are reminded of their very different lives: she is energetic, bossy, a Londoner who was once a pre-SDP politician and now runs a language school.

## THE STATEMENT

by Brian Moore

Bloomsbury £14.99, 217 pages

## WINTER JOURNEY

by Isabel Colegate

Hamish Hamilton £14.99, 200 pages

## THE ILLUSIONIST

by Jennifer Johnston

Sinclair-Stevenson £14.99, 219 pages

He is a fine photographer, a traveller now at peace, a bit of a recluse, whose memories are of London in the 1960s and the girl he loved and lost.

Edith's arrival provokes both of them to re-visit the past and, in their different ways, to come to terms with it and also with their future. "It is extraordinary" - writes Edith to a friend - "how whole pockets of feeling can be stored away, for-

gotten for years, and then quite unexpectedly re-emerge in all their pristine fervours..." This is where Colegate is at her best. The accompanying detail - of Somerset, of the winter countryside, of the City, Chelsea, Tuscany, India - is beautifully controlled. I suppose you might say it is a novel about England. At a simpler level, it is about a brother and a sister, and it reads true.

*Winter Journey* is far more successful, and worth your time, than *The Illusionist*. Jennifer Johnston is a respected and experienced Irish novelist who has written a sour little fable about an Irish novelist looking back on her marriage to a mysterious and extremely unpleasant *prestidigitateur* whose grand "illusion" is to summon an angel out of white doves, something like that. Or is the bird act a front for a more sinister trade?

He and 150 of the doves are blown up by the IRA, which brings mother and daughter together for a grisly few days of recrimination ("You bloody Irish. Blew him to bits and those pathetic birds... I think you are the only person in the world I really hate..."). The master of illusion, they discover, had been lying to both of them: all is pretence.

The prose style is so mannered as to be pretentious - it is the sort of fine writing which is described as "technically brilliant". Perhaps so: it is also extremely irritating.

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BOOKS

**M**ichael Portillo is the young matador of Tory politics. Beautifully coiffured and manicured, he strides into the political bull ring braced for a fight. As his favourite targets loom into daylight - excessive public spending, European Union directives, the antics of the liberal media - he speaks without remorse. Anyone who heard his speech to the Conservative party conference this week knows his ability to arouse the emotions of an audience over these issues.

That may not be how the 42-year-old cabinet minister, now in charge of defence policy, would like to see himself. Those who work with him say he is a man of formidable intelligence and some modesty. But he has cultivated the image of a tough fighter, and it is lapped up by his followers. Tory activists, especially the young, have an admiration for Portillo once only reserved for Lady Thatcher herself. They see him as her chosen heir and successor. As Michael Gove hints in the subtitle of this book, he is regarded as "the future of the right."

That subtitle is daring because, in the last few months, Portillo has faced an unusual setback. When John

## Prince in waiting

In this book Portillo can do no wrong, discovers James Blitz

Major stood down as Tory leader in June, it was another hero of the right, John Redwood, who threw down the gauntlet. Portillo, they say, lost his nerve, uncertain whether to stand or not. Redwood was the man with bravado, the one who could play for high stakes. Right wing Tory MPs return to the Commons next week with their loyalties divided.

None of this has dampened Gove's enthusiasm for his subject. His biography is an unauthorised work, but the author - in a well-written but hagiographical book - wants you to know that this is the coming man he is talking about.

What are the elements needed to make up the hero's life? First, the insistence that we must know every detail. His appearance in Ribena advertisements as a boy, his success with school play budgets, his passion for Wagner - all this is meticulously recounted. Then there is a large dollop of Iberian romance. His father, Luis, was a Republican activist in the

Spanish Civil war and a fugitive from Franco's dictatorship. That is where Portillo junior gets the "personal austerity" and sense of loyalty to friends and allies which he is said to regard as "the highest human virtue".

Then, of course, we must have the epic scenes on the road to power. First, Portillo's utter devotion to

**MICHAEL PORTILLO: THE FUTURE OF THE RIGHT**  
by Michael Gove  
Fourth Estate £20, 288 pages

Thatcher on the eve of her downfall in 1990, when all had given up hope that she could continue to contest the leadership election. Barred from entering her Commons room to urge on the fight, there were scuffles with her minders, "hands were raised, fists were clenched and oaths were exchanged."

There is an attempt to make Portillo a more human and fallible figure.

He was, apparently, a participant in riotous evenings at Peterhouse, Cambridge. In his twenties and after, he developed the taste for good food and wine that makes him an assiduous seeker out of quality restaurants. And he appears to like "raffish, louche and provocative company."

But hold your horses, please. Gove emphasises repeatedly that his hero has always known when to stop. He has "the capacity to appreciate a good time without ever putting himself in a position where his enjoyment of the night cast a shadow over the morning..." And, I am sorry to say, that the knack appears never to have left him.

Only when the more louche characters are discussed does Gove issue a warning to his idol. It is, he says, to this kind of company that the author attributes one of the minister's most recent embarrassments - the decision to install telephone lines in a house near Westminster during the first round of the leadership election.

Here the culprit, it is alleged, was David Hart, millionaire Tory supporter and freelance activist, who was itching for Portillo to stand. His involvement in Portillo's affairs is a disaster, it seems. If the minister did authorise the phone installation, it looked like he was plotting to knife Major. But if Hart was responsible, then why, asks Gove, is Portillo associating with a maverick like that?

The author need not be too concerned about Portillo's chances for the Tory leadership. It is too early to write him off. He has a formidable network of supporters within the party. And Redwood's reputation as a remarkable thinker is tempered by a lack of worldliness.

But if Portillo is eclipsed in future years it will be because of another politician to change Britain. Like Portillo, Tony Blair is young and dynamic. He has a considerably personal following in his own party. And that determination to rein back the welfare state echoes much of what Portillo has called for in recent years. No, the danger for right wing Tories - and for Michael Gove - is that the public will crown the cunning Prentender and not their Crown Prince.

## Bad boy of Russian politics

**T**here are thousands of Russians like Vladimir Zhirinovskiy. They are poor boys from the provinces living in Moscow, and at the slightest pretext they inflict their company on strangers in restaurants and railway buffets. They are noisy and opinionated. They also experience enduring resentments. Somehow the world has always underestimated and mistreated them.

Zhirinovskiy exhibits these qualities to an extreme degree. He has turned bad manners into an art form. When talking to *Playboy* magazine last year he made a crude pass at the female interviewer. On other occasions he has thrown flowerpots at demonstrators in Strasbourg and a glass of orange juice at a political opponent on a Russian television chat show.

He is a bad boy, and he knows it; and he thrives on the flaunting of his foibles and obsessions. He openly contends that there is no such thing as damaging publicity. His notoriety has established him as an international figure. He is never out of the newspapers, and acquired much influence in the State Duma after the elections of December 1993.

This new book by émigré writers Elena Klepikova and Vladimir Solovoyov testifies to the cunning and determination involved in his rise to prominence. Born in the Kazakhstan capital of Alma-Ata, Zhirinovskiy's father died when he was a baby. His mother took up with another man and ignored her children. He escaped from penury only when, with difficulty, he secured a studentship in Moscow. But on graduation his career did not flourish. When he was sent as a Soviet representative to Turkey in 1968, his efforts at spreading Soviet propaganda were so hampered that the Istanbul authorities deported him.

What gave him his second chance was Gorbachev's *perestroika*. At the open mass meetings of the late 1980s Zhirinovskiy perfected his undoubted oratorical and literary skills. When Gorbachev repealed the political monopoly of the communist party in 1991, Zhirinovskiy's Liberal-Democratic party was the first to gain a licence to operate in the new multi-party environment.

This cannot have been an accident. Zhirinovskiy must have had support from within the communist establishment. The official archives on this episode are still secret; but it is a reasonable speculation that Zhirinovskiy's nationalistic advocacy of the need to sustain the Soviet military-industrial complex was regarded as a potentially useful alternative to Marxism-Leninism if the communists themselves were to lose power.

Lose power they did in 1991, and Zhirinovskiy's links with the military-industrial complex have been strengthened. Klepikova and Solovoyov supply

**ZHIRINOVSKIY: THE PARADOXES OF RUSSIAN FASCISM**  
by Elena Klepikova and Vladimir Solovoyov  
Viking £18, 288 pages

remarks about Jews. It is easy to see why Gaidar made his costly accusation. Yet he would have been wise to note that Zhirinovskiy's ideas are a contradictory amalgam. Zhirinovskiy has repeatedly declared support for such causes as multi-party democracy, cultural pluralism and even tolerance of homosexuality - causes not conventionally associated with Hitler. He is not even a straightforward nationalist. For he does not consistently seek to attract the specifically Russian ethnic voter.

In the Gaidar court case, Zhirinovskiy had no difficulty in showing that he had a long record of support for "liberal" and "democratic" ideas. Klepikova and Solovoyov allude to some of these contradictions, and argue that Zhirinovskiy is cynically trying to broaden the range of social groups to whom he can appeal.

But their conclusion, at the end of an entertaining book, is implausible. For them, Zhirinovskiy - the rare, resentful lad from the lower depths of society - could have been tamed if only Boris Yeltsin in 1991 had invited him to take ministerial office. Perhaps the lion will one day lie down with the lamb. But such harmony is unlikely in Russia in the near future. Whereas Yeltsin has made many mistakes, he is surely right to keep a sleeping wolf away from the sheep-pen.

**Robert Service is Professor of Russian History and Politics at the School of Slavonic and East European Studies in London University.**

**N**o poet illustrates the recent changes in our cultural and sexual climate better than W.H. Auden. Fifteen years ago, a new biography of Auden was censoriously greeted in *The Times* with the headline "Butterflies from the Dung Heap" - the dung heap being Auden's chaotic homosexual private life, the butterflies the poems that sprang from the mess. Last year by contrast, Auden was family entertainment. After his poem "Funeral Blues" was recited in the hit film *Four Weddings and a Funeral* his volume *Tell Me the Truth About Love* became a best seller.

As if to make amends to Auden for the climate of sexual repression in which he wrote, "Funeral Blues" was read in the film by a gay man at the burial of his lover. It is this shift in sensibility since the last biography

**AUDEN**  
by Richard Davenport-Hines  
Heinemann £20, 406 pages

**WYSTAN AND CHESTER: A PERSONAL MEMOIR OF W.H. AUDEN AND CHESTER KALLMAN**  
by Thekla Clark  
Faber and Faber £12.99, 130 pages

that makes Davenport-Hines' book interesting. Of itself, this new work adds little to the story of Auden's life, meticulously recorded both in Charles Osborne's 1979 biography and by Humphrey Carpenter in 1981. Yet its pre-occupations construct an Auden for the 1990s which shows how much the current test for literary lives is to do with interpreting our age.

The facts of Auden's life are best told in his own catchy language, that mix of everyday flatness and exquisite lyricism which made *Tell Me the Truth* so popular. Born the son of a doctor in 1907, he wrote of himself "he thanks God daily that he was born and bred a British Pharisee". At Oxford he told his tutor "I mean to be a great poet"; then, gaining only a third class degree, he fled to Weimar, Germany - "Is Berlin very wicked?" he asked hopelessly - and a coterie of homosexual lovers.

In the 1930s, his work fixed the mood of the "low, dishonest decade", and he was the leading poet of his generation. His departure for America in 1939 was regarded as a national disaster and discussed in the House of Commons. Afterwards, Auden was thought a spent force, his poetic decline a punishment for treachery.

In America, he met the love of his life when Chester Kallman turned up at his apartment after a lecture. "It's the wrong blonde," muttered Auden when he opened the door, but by the end of the afternoon he was wooing Chester with the lines that are now



W.H. Auden: his homosexuality, his interest in Freud and experiments with psychoanalysis are all perfect fodder to explore the revolution in sexual mores this century

## A poet for our times

Changing sexual attitudes have brought Auden into his own, argues Jackie Wullschlager

best sellers - "when it comes, will it come without warning/just as I'm picking my nose/will it knock on my door in the morning/or tread in the bath on my toes?... Oh tell me the truth about love". Sexually incompatible, their affair was at once mutually torturing and inspirational, with Chester the giddy and Auden "submissive, felt/unwanted and went out."

"If affection unequal/betwixt the more loving one he me", he wrote. When Chester abandoned him to spend six months a year with young boys in Greece, Auden moved to Oxford, lonely and distressed. In 1973 he wrote "he still loves life/but Oh Oh Oh how he wishes the Good Lord would take him". Days later he died.

In re-telling this story, Davenport-Hines' Auden promises to be "a book for our times" offering "a commentary on the wars, ideologies, spiritual questioning and sexual attitudes of the century in which he lives". It marks a *fin-de-siècle* trend towards biography as an apocalyptic form which seeks to discern the intellectual pattern of our century through an individual's experiences.

Auden, whose eminence came from his ability to catch the pulse of his times, might seem to court such treatment. His life mixed the political passions and social prejudices - "the lower classes simply ought to go to bed when asked" he once said - which lay at the heart of pre-war

Europe. His homosexuality, his interest in Freud, his experiment with psychoanalysis in the 1920s, all are perfect fodder to explore the revolution in sexual mores this century.

Davenport-Hines' analysis is well informed and elegantly written, but his discursive approach makes for a disappointing book. First, it ruins the sweeping flow of a life which is a prime pleasure of biography. Second, we are still too close to Auden to fix him emblematically for our times. And third, the emphasis on sexual questioning skews the perspective on the rest of Auden's life, and on those other areas - political, cultural - where he also believed "alienation from the collective is always a duty".

Most scholars accept that Auden's troubled sexuality was the well spring of his creativity. What pin-points both this biography and Thekla Clarke's memoir as products of the 1990s is their underlying sense that the more kiss and tell truths the better the book. Mrs Clarke was an American who visited Auden and Kallman at their summer homes in Europe. Her account is respectful, silly, and obsessed with her own sexuality. If Faber hope to cash in on the Auden craze with memorabilia like this, they have mis-fired. For a truly moving memoir that is also a great biography, Charles Osborne's *W.H. Auden: The Life of a Poet*, re-issued in paperback, has yet to be surpassed.

**M**uch has happened in the field of medieval women's history since Eileen Power's *Medieval Women* was issued (posthumously) in 1975. Power commented that although the position of women has often been seen "as a test by which the civilisation of a country or age may be judged", such a test proves extremely difficult to apply. For one thing there is women's position in theory, in law, and in every day life - the true position, she believed, being a blend of the three. For another, medieval ideas about women were formulated and articulated by Church clerics and male aristocrats, "the classes least familiar with the great mass of womankind".

Power was forced to rely on prototypes of women - the lady, the working woman, nun - and took most of her cues for women's social history from economic data and the extensive documentation of nunneries. Henrietta Leyser, a lecturer in medieval history at Oxford, has now produced a synthesis of the massive work done in medieval women's history, much of it interdisciplinary, over the past 25 years. Her aim is to modify what she regards as the extraordinary persistence of medieval attitudes towards women which still mar many discussions. Taking her cue from R.W. Southern's assertion that the Victorians invented history to exclude anything of

## Women's role in a dark age

human interest, Leyser blames 19th-century misogyny for this continuing medieval myopia.

Beginning with the arrival of the Anglo-Saxons in the 5th century, Leyser sticks closely to the archaeological evidence and summarises the findings to date for the period between the departure of the Romans and the establishment of recognisable Anglo-Saxon kingdoms. This material, sifted by women's historians, seeks to supplement the "resolutely male" cast of characters in the Anglo-Saxon Chronicle.

The range of grave goods from this period yields the most valuable witnesses. Men were buried mainly with weapons, women with cowrie shells, amethysts, boar's teeth and tusks, lavish jewellery, and even crystal balls. But with all their riches, they were little more than lists of objects. Deconstructing the significance of the perforated spoons found in women's graves as wine sieves indicating women's role in ritual libations foundered when someone deemed their bowls too shallow and holes too large.

With proper written records - Anglo-Saxon and Norman

histories, law codes relating to women, and literature - things become somewhat more clear. The prevailing notion of a passive Anglo-Saxon woman modelled on the Virgin Mary gives way to literary representations of women as wise, articulate and effective - never forgetting Grendel's mother.

And what of the significance of 1066 for women? The three

**MEDIEVAL WOMEN: A SOCIAL HISTORY OF WOMEN IN ENGLAND 450-1500**  
by Henrietta Leyser  
Weidenfeld & Nicolson £25, 337 pages

women depicted on the Bayeux tapestry - Edith, queen to the old king, a mysterious eulogistic figure, and an anonymous victim of war - scarcely seems promising. But the fact that the English needlewomen who made the tapestry were famed throughout Europe for their skill may have been some compensation. And their intermarriage with the Normans preserved English as the native tongue. Presumably conforming to the Norman yoke paradigm, Anglo-Norman women

have been traditionally viewed as possessing much reduced rights, a conclusion Leyser disputes.

During the High Middle Ages, while men were thought of collectively as knights, merchants, crusaders and so forth, women were classified according to their sexual status: virgins, wives or widows. The attempt to reconcile alleged demands of women's physiology with Christian teaching preoccupied many male thinkers, and medieval theories about sexual differences were varied. The Galenists held that both men and women produced seed, while Aristotelians saw women as little more than passive matter receptive to male semen. Male seed was held to be precious, female seed lethal for almost everything.

As Leyser weaves her way among the sources, an overall impression remains of skew and obdurate testimonies; however skillfully teased out, they yield their evidences slowly and awkwardly. I have learned to distrust the sweeping generalisations of narrative historians, even careful ones like Power. Yet the fragmented and mute nature of these partially undigested documents and artefacts produces a sneaking longing for more artfully shaped accounts. Until the research attains such a critical mass that conclusions become possible, however, this will serve well as an interim report.

Ann Geneva

## Tigers of the China seas

Peter Marsh on the history of the oriental diaspora in south east Asia

**O**ne of the world's most powerful, yet largely hidden, economic forces is the army of 55m Chinese men and women scattered throughout south east Asia, outside their home country. Linked by a network of informal contacts built up over centuries, these individuals - the overseas Chinese - have played a huge part in propelling the region's startling economic growth of the past decade.

Lords of the Rim is Sterling Seagrave's attempt to explain how the oriental diaspora came into being, how it operates and who the crucial people in it are. The story contains a host of rich and lively ingredients. Many of the overseas Chinese are descended from merchant adventurers driven out over the past 1,000 years from the entrepreneurial southern part of China by their more stuffy, bureaucratic neighbours from the north. There are plenty of colourful tales about the disputes between the different groups of Chinese and the often violent methods used to settle them.

Bringing us closer to the present, Seagrave details how the overseas Chinese have exerted particular influence in

some of the "tiger economies" around China over the past few decades - including Thailand, Malaysia, Singapore and Hong Kong. There is no shortage of personalities who have taken advantage of the system of *guanxi*, or connections, to tap into pools of information using the Chinese equivalent of the old boy's network.

One is Chin Sophonpanich, who started out as a shop assistant in Bangkok and went on to build an industrial empire focused on the Commercial Bank of Hong Kong. Another is the Chinese banker Liem Sioe Liong. After diversifying at an early age from the peanut oil business into clove importing, rubber and property development and ended up in control of the Salim Group - one of the biggest players in the south east Asian economy.

Not all the industrial forays have been into respectable fields. With a certain amount of relish, Seagrave describes how much of the overseas Chinese has gone into activities such as prostitution and drugs smuggling. Often the links between the establishment business figures and the underworld have been a little too close for comfort. There

**LORDS OF THE RIM**  
by Sterling Seagrave  
Bantam £16.99, 338 pages

and sometimes all three. A prize example is this paragraph describing the exodus after world war two of bankers from China to Hong Kong: "They brought Shanghai's financial brains in their carry-on luggage. They knew all about money, how to get it, how to move it, how to hide it, how to make it do gymnastics. When they got out of bed in the mornings, they hit the floor running. Green tea does that to you. Their intense drive to rescue their endangered fortunes moved Hong Kong overnight from the age of the pith helmet to the age of

satellite communications, or so it now seems in retrospect. Time is measured differently in Hong Kong."

Seagrave also seems bewitched by the harsh tactics used by different groups of Chinese to do each other down. He also appears to think his readers are similarly interested, which is why every few pages he details a new episode of acts including torture, viri-section, gang rape, beheading, gouging out of eyes, mass drowning and mutilation of genitals. Even if the accounts are historically accurate, the effect is wearisome.

Perhaps the most telling criticism is that the book reads too much like one put together from reading other people's accounts of events in south east Asia over the past 1,000 years rather than from original research. There are 30 pages of notes and references to other books but little to indicate that the author has gone out often enough to talk to the overseas Chinese themselves. Possibly Seagrave had become so knowledgeable about the methods apparently used by a small minority of overseas Chinese to despatch people inquiring into their methods that he chose not to delve too deeply.



## ARTS



Faces of real people come leaping out at us across nearly five centuries: 'The widowed Lady Mary Neville with her son, the 10th Baron Dacre', 1559, by Hans Eworth.

## Fresh look at the Elizabethans

Painting in Britain during the 16th century was not nearly as stuffy as we imagine, argues William Packer

**D**ynasties, the Tate Gallery's principal offering for the autumn season, courtesy of Pearson, is one of those curious exhibitions that at once confirms and changes for ever our view of its subject.

England in the 16th century, so the received wisdom would have it, was rather isolated, provincial and behind the times so far as painting was concerned. Well, it was, up to a point. What about all those foreign artists, from Holbein to Van Dyck, who were prepared to commit their careers to this side of the Channel? No truly provincial society would be so open to influence and example from abroad.

But was it not the case that all those foreigners were only here by virtue of the manifest lack of native talent? Only up to a point. We have always celebrated the English miniaturists Nicholas Hilliard, Isaac Oliver (albeit born a Frenchman) and Inigo Jones. Here, to stand beside them, we now have the elder John Bettes, who is by no means disgraced by direct comparison with Holbein, and later we come to John Hoskins, Robert Peake and the gentleman painters,

George Gower and Sir Nathaniel Bacon. This is not to say that they are all of the first or even second rank, nor that our national school was flourishing like the green bay tree, but only that the show was there, and taking root.

As for the works themselves, the conventional view is that they were of a limited scope and vision, hieratic and idealised images of authority and power, stiff and formal. Well, yes, they were – but the secular portrait as it was evolving everywhere in the later renaissance always carried with it a demonstration of rank or status of some kind. What was peculiar to Elizabethan England was the rarefied circumstance of a Court in which the ageing Queen at its centre deliberately cultivated an abstracted and idealised persona, increasingly inimical to naturalism in its reflection. The result was precisely that image of state, sumptuous in the stuff and detail of its decoration, flat, increasingly conventional and ever more imposing in its effect, that we think of as truly Elizabethan.

The mistake is only to imagine that that was all there was in England at that time – even of Elizabeth herself,

whose portrait in her youth by an unknown Flemish artist represents her with a diffident and charming naturalism. Her half-brother, the future Edward VI, almost certainly painted by the same artist, is shown no less naturally, for all his princely grandeur. And it is the naturalism of these images – these likenesses, these actual faces of real people – that comes leaping out at us across nearly five centuries. Even the older Gloriana, in the great 'Sieve Portrait' of the 1590s by the younger Quentin Metsu, looks out at us with a relaxed, wistful, almost familiar gaze.

Such is the story throughout, from Holbein's ever-astonishing intimacy and fidelity to appearances at the outset, to the touching delicacy of Marcus Gheeraerts in the 1610s, to the precocious, Italianate fluency of the young Van Dyck at the very last. Here are Hans Eworth's formidable and most unfortunately widowed Lady Mary Neville, shown with her handsome son (1559), newly restored to the family honours as the 10th Baron Dacre, and here his black and grim Queen Mary. Here Queen Mary

again, no less grim, by Antonis Mor, sometime court-painter to her husband, Philip of Spain. Mor is as interesting and accomplished as any of the foreign painters in the show. His familiarity with Venetian painting in particular is clear in his splendid unknown lady of about 1560. Is she Mary's lady-in-waiting, the devout Catholic, Jane Dormer, who married the Spanish ambassador and went to live in Spain? Or is she, with her inviting half-smile, one of the myriad concubines of the Duke of Alva, governor of the Netherlands whither Mor had returned by the 1560s? Who can say?

Best of all is Mor's superb small half-length of Sir Henry Lee (1568), which, for all its courtly imagery of rings and favours, brings this handsome brooding envoy of the Queen living and breathing before us. There is nothing mannered or provincial here. And the jauntily strutting young Archduke Rudolf, the future Hapsburg emperor, by Alonso Coello (1567), another artist of Philip's court, is a magnificent swaggering image from the mainstream of mid-16th century practice. If its English connection is tenuous – for Philip was long

back in Spain and the picture came into the Royal Collection here only in 1853 – it reminds us forcefully of the complex to-and-fro, political and diplomatic quite as much as artistic, that was the commonplace of those times and is the central plank of this exhibition.

If *Dynasties* has a fault, it is indeed that it does not make that dynastic roundabout clear enough. The ramified connections of the Tudors to the Stuarts and who succeeded them are rather taken for granted. James I of England, VI of Scotland, does put in a wonderfully louché appearance in Adrian Vanson's portrait of 1596, and again in the state full-length by John de Critz of 1606. But it is a serious omission that there should be not a single image of his mother, for it was of course upon Mary Stuart, sometime Queen of France, Queen of Scots in her own right and direct forebear of our present Queen, that the whole dynastic story of the age actually turned.

*Dynasties* – *Painting in Tudor and Jacobean England 1530-1630*: the Tate Gallery, Millbank SW1, until January 7. Sponsored by Pearson.

Television/Christopher Dunkley

## The reality of fear

**O**ne of the most unpleasant aspects of life in modern Britain is the fear of crime and the literally fearful lives led by those who are convinced that we are more at risk from criminals today than our ancestors ever were. Children's lives are stunted because parents keep them indoors, drive them to school, and refuse to let them play in city streets or country fields for fear of marauding strangers. Pensioners lock themselves indoors, frightened of muggers. People talk of the alarming rise in murders of and by children and habitually blame television for the increase. Television can almost certainly be blamed, but for the increase in fear rather than crime.

The supposed increase in crime is an odd and questionable phenomenon. The number of murders by children does not seem to have changed significantly in a long time. Read Mayhew or Dickens and you realise that cities were more dangerous in their day than today. Nobody knows how many cutpurses per head of population there were in Southwark in 1795 because nobody was collecting statistics, yet there were probably more than there are muggers in Southwark today. The trouble is that every time a new set of figures is issued, television announces an increase in crime when all that can really be shown is an increase in the collected statistics.

According to some accounts, in the days when a large proportion of the population was employed in service, muggings were almost routinely ravished by male members of some households, so the incidence of rape may be lower today than it was 100 years ago. However, muggings rarely reported such attacks so the statistics today may be higher even though the incidence of rape may be lower. Yet television, with its perpetual emphasis on violent criminal behaviour – in drama, current affairs, news programmes has convinced the populace that they are at risk as never before. This is almost certainly untrue, but that makes no difference to the reality of the fear.

You might have thought that serious programme makers would find this a subject worthy of investigation, yet it rarely crops up on television. What happens far more often is what happened on this week's *Panorama*. It is another aspect of the statistics game in which journalists go back to the promises made by vote-trawling politicians (in this instance Michael Howard) and show that the short sharp shock of tougher sentencing/boot camp policy, or whatever may have been promised as a way of cutting crime, has done no such thing. It is a peculiarly unsatisfactory sort of journalism which seems to be chiefly concerned with scoring points.

The same is not true of the Channel 4 series *In Search Of Law And Order*, which reaches the second of its three parts tomorrow evening. Here is a series which we are told, is "a personal critique of the criminal justice system". The programmes are actually less opinionated than that suggests: true, an obvious attitude and a clear argument eventually emerge, yet they are implied more often than stated. Only at the very end of each episode is there a brief "editorial". This is not one of those finger-wagging exercises in which we are told how everything could be put right. Indeed, you sometimes wish there were rather clearer statements about precisely what is being suggested in place of the current policies and systems.

The reticence is less surprising once you realise that the writer, director, interviewer, and some-time cameraman is Roger Graef, who, 25 years ago, made the memorable series *The Space Between Words*, a sequence of observational documentaries about various social groups – diplomats, a family and so on – which set new standards for objectivity and non-intervention. Later, having made *Portraits* about the Thames Valley force, Graef went back to his roots in drama when he felt that there were certain truths known to the auteur which could only be properly conveyed via fiction. Now here he is appearing in his own programmes and – however mildly – directly expressing some of the ideas he has developed while making his books about the police and juvenile offenders.

No doubt some will say that Graef and his programmes are throw-backs to sixties' liberalism, but they are much more complex and interesting than that. In the end he does say that we could better use some of the billions now spent on locking people up and punishing them in attempting to avoid the circumstances which led to their convictions in the first place. But the offender is not his only concern. In tomorrow's programme he talks to juvenile criminals and then to one of their victims who has been burgled repeatedly and now lives – in her case quite rationally – in perpetual fear. His investigation of persecution for supposed "graffing" in next week's programme brings out a frightening sense of a whole community hostile to the law. So is that fear perhaps justified after all? No more than it ever was, given that the adjective which springs to mind to describe that community is Dickensian.

Radio/Martin Hoyle

## Jokes, clichés and media-talk

**T**he joke of the week came, not for the first time, from our chancellor of the exchequer. He was reminded in a Radio 4 interview of the scrupulously even-handed budget that earned one of his predecessors, Roy Jenkins, the nickname in the Treasury of "Aristides the Just".

They don't talk Latin in Whitehall these days, chortled Mr Clarke man of the people. Or indeed know the difference between Greeks and Romans. Next best joke came from the bluster, splutter, waffle and flounder (it sounds like a Blackpool hotel breakfast) when Brian Mawhinney, having had the impudence to attribute political bias to Radio 4's *Today*, was forced to back up his words and ate them instead. These all-falling accusations merely smack of desperation. But then the party conference season does nobody any favours. Groggily tuning in to the World Service's *Europe Today* at six o'clock on a fine autumn morning, this conscientious listener was bludgeoned by clichés – papering over the cracks, clear blue water and the like – into insensibility again.

For clichés, media-talk and the double, triple or multiple standards by which we live today, I recommend the latest series of *Whatever Happened To...?* Two weeks ago writer Adrian Mourby and director Brian King revisited the Big Bad Wolf, as maligned as O.J. Simpson, and on this showing, as innocent.

As a window salesman there was no reason why he should not be on the roof of the little pig's house (having prompted headlines in *House and Home* on the safety of straw houses). And it was quite right that the little pig in question should be dragged off by the police for

possessing an offensive weapon (a cauldron of boiling water), just as Miss Hood's father was arrested for carrying an axe and misconstruing BBW's adult relationship with Miss Hood's grandmother, "a bit of a goer" who liked being tied up. And there is no connection with the farmer's son who kept getting his parents out of the pub with his cries of wolf ("Bigger off, sez we"). "Thank God for our police," breathed B.W. Wolf who then sold his story to the Sunday Times.

BBW was played by Leslie Phillips, which means, as all who appreciate his range from *Carry On* to Chekhov will know, it was played beautifully. Next week's press revelations about Princess Snow's past with seven vertically challenged confidants is a cracker too. Last week's visit to Pinocchio was not quite up to that level, though the radically politicised Little Mermaid rang a jangly bell (Pinocchio was "sold a dream by the dominant species"), and Pinocchio himself for some reason kept conjuring up a picture of Nigel Kennedy.

The lad himself was in characteristic form in *Viva Park Incident* – a *Musical Tour of Birmingham* (repeated tomorrow, Radio 4), explaining how "the London scene is a little bit less tolerant" (the meat football, not Sir John Drummond). Nigel explained mysteriously that "my mum remarried into Solihull" thus bringing the foot-fancying addler to the Midlands and Tommy Docherty. "I was

drawn in by the Doc's magical charisma," droned Nige, as if reading a washing-powder endorsement.

The programme was engaging for those of a nostalgic bent, being presented by Roy Wood, ex of *The Move*

whose "Flowers in the Rain" was the first record played on Radio 1. Its ebullient publicity included a cartoon libel of Harold Wilson. Old Bailey proceedings (prosecutor Q. Hogg) resulted in the record's royalties being forfeited to

charity. "As the years have gone on we've had a longer sentence than the great train robbers," said Wood wistfully. Radio 3 offered a very different musical tour, this time of Moscow, in *Last Train to Taganrog* in the *Between*

the *Ears* series of "radiogenic compositions". Distant voices, sometimes distorted, tannoy announcements, a dripping tap recorded in repetitive rhythmic patterns, ominously beeping chords, a Slav-accented first person account of a journey. It would appeal to those who find Gavin Bryers' "Jesus Blood Never Failed Me Yet" a profound musico-religious experience. And I can't say fairer than that, squire.

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**29 Oct** *Chalk Concert in Aid of Centrepiece* 220 seats. Chalk Concert in Aid of Centrepiece. £20, £25, £30, £35, £40, £45, £50

**30 Oct** *Chalk Concert in Aid of Centrepiece* 220 seats. Chalk Concert in Aid of Centrepiece. £20, £25, £30, £35, £40, £45, £50

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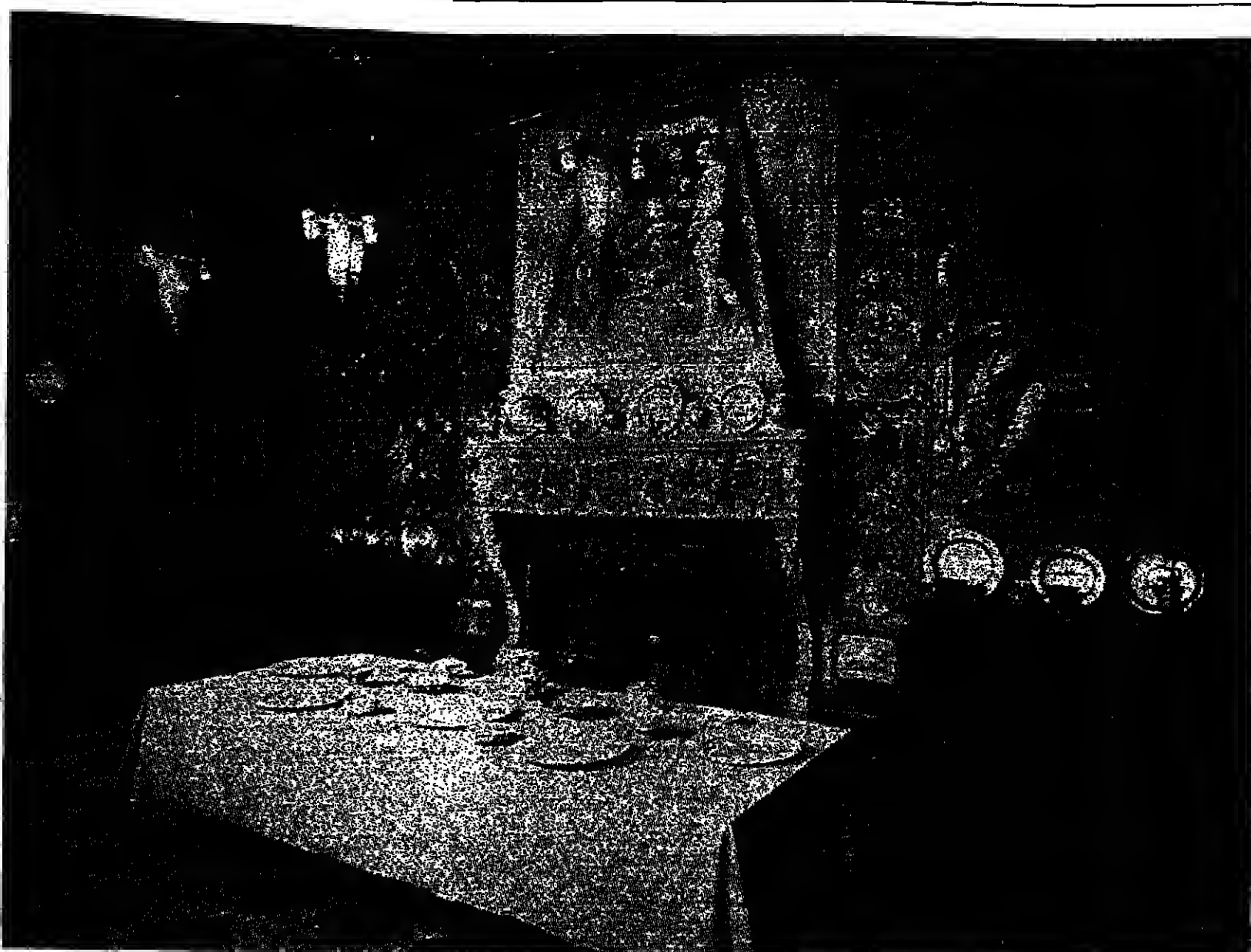
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ARTS



The dining room in the Bagatti Valsecchi brothers' neo-Renaissance fin-de siècle palazzo. They felt no implicit contradiction in cannibalising authentic artefacts to obtain the right effect

# Renaissance pastiche personified

Susan Moore visits the extraordinary Bagatti Valsecchi museum in Milan

There is no place quite like the Bagatti Valsecchi in Milan. To begin with, the transformation of this private palazzo into a public museum - a slow 20 years of politicking, research and painstaking preservation - is unmistakably a product of its own style and taste-conscious age. For unlike other historic house museums, like the nearby Poldi-Pezzoli, the Wallace or the Frick, the Bagatti Valsecchi does not boast an outstanding collection of masterpieces.

Indeed it holds relatively few great works of art. Moreover, the house, its decoration and furnishings are pure pastiche: a "Renaissance" palazzo ingeniously created by two artistically minded brothers in fin-de-siècle Milan. The point of preserving it more or less intact is that its sumptuous interiors provide an extraordinarily vivid picture of how one age perceived another.

Fausto and Giuseppe Bagatti Valsecchi embarked on their dramatic renovation of their family house in the 1870s. After designing the neo-Renaissance palazzo in the local Lombard style, they set about filling it with appropriate works of art - furniture, tapestries, paintings,

ivories, enamels, arms and armour, maiolica... The brothers bought up whatever period architectural fittings and fixtures they could find, acquiring entire 15th century carved and coffered Cremonese ceilings or fragments of friezes, panelling, door-cases, chimney-pieces.

What they could not salvage they designed themselves. Detailed drawings attest to their study of historic interiors. A tour of the house is a Renaissance buff's delight: spotting ceilings derived from, say, Isabella D'Este's "grotto" in the Palazzo Ducale in Urbino; the library based on the refectory of the church of Santa Maria della Passione in Milan; light fittings straight out of Carpaccio's "Dream of St Ursula".

A similar approach was taken to the furnishings. There are important pieces like the richly carved mid 16th century bed from the Palazzo Visconti-Venosta but what could not be found - or afforded - on the antiquaries market was simply hatched or patched. Most spectacular is the late 19th century version of today's "Sheraton"

TV cabinet, a sideboard decorated with Quattrocento-style perspectives which open to reveal a pianoforte.

Fausto and Giuseppe believed in Renaissance living with all mod cons. Their bathroom might have a bath that looked as though it came from a Roman ruin but it boasted hot and cold running water and a shower to boot. Even the wash basin on an iron tripod was ingeniously fitted to a mains water supply. Distressed "Antique" bronze wall lamps were lit by gas, and floor grilles are witness to an early form of central heating - features now carefully restored to working order.

What is abundantly clear is that the brothers were pre-eminently interested in creating an "effect". Their home is a perfect example of what would now be disparagingly described as decorator's taste. It did not really matter if a piece were not right as long as it looked right. Questions of quality and authenticity were niceties.

Like most of their generation, the Bagatti Valsecchi obviously suffered no scruples about chopping up or adapting

period works of art simply for decorative effect. They saw no implicit contradiction in cannibalising authentic artefacts to confect a house that was, after all, a thoughtful homage to the Lombard craft tradition.

In the dining room, for instance, three mid-16th century Flemish tapestries depicting the deeds of Cyrus were cut up, patched and integrated with painted canvas so that they could line the walls. One wall bears a pair of feet, ruthlessly sliced off a figure on another.

It seems likely that some of the hybrid furniture and works of art were acquired, unwittingly or not, already doctored. The most glorious ahistorical example is in the Red Bedroom. Alongside Giovanni Bellini's "Saint-Justine de Borromeo", the most important picture in the house, hangs a devotional triptych. Its central panel is late 14th century Florentine, the two flanking panels 16th century Lombard.

There is no evidence to suggest that such hybrids or copies were ever meant to deceive. Indeed, the signatures of the Bagatti Valsecchi are everywhere, most literally in the glorious neo-Renaissance red and gold cut velvet wall hangings they designed that

bear their "BA VA", but also in the impressive Renaissance-style door-cases carved with objects that can be found throughout the house. This top-quality work represents the last gasp of the Lombard craft tradition.

What is so unusual about the brothers' distinctive brand of historicism is that the whole house emulates one period. In the 19th century it was far more common to create, say, a 17th-century dining room with a drawing room decked out in Louis Seize. More interestingly, the brothers chose to live with and use their works of art, rather than accord them separate quarters in special "gallery" rooms, as did, say, the Poldi-Pezzoli family.

The Bagatti Valsecchi saw themselves as the spiritual heirs of the Renaissance princelings, creating not so much a pastiche 16th century palazzo as a creative copy and harmonious whole. This new museum is a model of thoughtful and sensitive preservation, and a tribute to the enlightenment of the authorities of the Lombard region.

The Museo Bagatti Valsecchi, entrance via Gesù 5, Milan, is open daily, except Mondays, 1pm-5pm.

# A question of attribution

Brian Sewell casts round for a 'lost masterpiece'

Revolutions of the trade in "sleepers" - lost masterpieces - have been vouchsafed in a new book by Philip Mould, works of art adviser to the House of Commons and the House of Lords. Lord Archer, it must be presumed, gives a quid pro quo as Mould's literary mentor.

From my own years at Christie's, I recall a sleeper's tale that sheds much the same light on the life of the roving international art dealer...

"Postumus Pocock's heart ceased to function for fully five seconds when he saw the meffable masterpiece in the gloom of Sotheby's back passage. 'Golly,' he said, 'what a sleeper!' He was not referring to Tilda Swinton in a glass case transferred for sale from the Serpentine Gallery, but using the common parlance of the picture dealer for a painting unrecognised by the auctioneer's experts, and thus likely to sell for a tiny fraction of its value. He glanced furtively at his catalogue: 'Lot 176, School of Van Dyck, Portrait Head of George Washington.'

"Not wishing to be seen showing the interest he felt so strongly, he fished from his pocket the small mirror that he carried for such moments, turned his back to the picture and powdered his nose. Postumus cared nothing for his reputation, living only for these heart-stopping moments when his stomach churned, the numb hairs rose on his neck, perspiration flooded and he knew in his aristocratic bones that a Velasquez danced before his eyes.

"Though filthy and with discoloured varnish and the fumes of crackling fires and fine Virginia tobacco, a fried egg long congealed in the lower left hand corner (relic of the uproarious breakfasts of Edwardian gentlemen), he knew at once that this could be no portrait of George Washington (first President of the US), but was instead the

Veil of St Veronica (an early female saint) bearing the image of Jesus Christ (the Son of God). With cousins in New York's social register, uncles in the Almanach de Gotha and ancestry reaching back to Hereward the Wake, this old Etonian and sometime porter in Christie's offshoot in South Kensington commanded classical and theological knowledge unmatched by the lesser boys of Bond Street.

"Behind Veronica's veil lay a landscape that for a moment puzzled him and he prolonged the business with the mirror, plucking dilatorily at an eyebrow. The answer hit him hard. 'Of course,' he murmured, 'this is a view of Lake Balaton by Konrad Witz.' In front of the veil stood a vase of irises (the Seven Sorrows of the Virgin in medieval iconography), and to make yet more time with the mirror, Postumus fumbled for his lipstick, but before his manicured fingers could retrieve the cool cylinder of solid gold, revelation struck him - 'Ah,' he sighed with orgasmic satisfaction, 'late Delacroix'.

"He glanced at his Rolex Oyster. Though it had seemed an eternity, in fewer than 20 seconds he had identified in one single painting the contributions of three great masters over a period of four-and-a-half centuries. Moreover, he had provided documentary proof of a Hungarian journey by Witz (a Swiss painter dead by 1446) which demonstrated that this earliest of landscapes had once belonged to Velasquez, who had probably acquired it on a sojourn in Geneva when recuperating from shipwreck on his way to Rome in 1629, and all his instincts told him that this was the very panel so treasured by Delacroix that he hung it by his bed to inspire the next picture when engaged in the wearying exertions of sexual conjugation.

"Five days later - days spent flying to Balaton to

stand on the very spot from which Witz had sketched the view - Postumus sat in the front row at Sotheby's disguised as Sherlock Holmes, and though prepared to spend many millions, waving his malacca cane with masculine assurance, bought his astonishing treasure for a mere £28.00.

"The Bentley Turbo waiting at the door, three parking tickets on the windscreen but, mercifully, no yellow clamp on a rear wheel, whisked Postumus deep into the smister east end of London; there, in the freezing attic of London's last remaining suppliers of stand-up stalls for public lavatories, hidden in a cobbled lane still stinking of Jack the Ripper's urine, his hunchbacked restorer, still carrying the genes of Quasimodo (a distant ancestor), Postumus's slave for years but never paid, seized his opportunity for vengeance. With a giant swab of cotton wool soaked in sulphuric acid instead of acetone, he swept the surface of the masterpiece. Postumus stood aghast as the vicious fluid bit through dirt and varnish, ate the irises, dissolved Veronica's veil, and with an exuberant sizzle destroyed the landscape and burned deep into the ancient panel.

"With yelps of maniacal pleasure the restorer swept and swept again. Postumus frozen to the spot until nothing was left of his fabulous discovery, nothing but the charred rectangle of timber cut long ago from an ancient chestnut tree that stood in a forest once owned by the grandfather of Mathew Corvinus (a 15th-century Hungarian hero). Then, seizing the panel, with an unearthly scream of despair, his lungs emptying of air in his descent, Postumus threw it and himself from the attic window into the swift Thames below, neither ever to be seen again."

■ *'Sleepers'* by Philip Mould (Fourth Estate £16.99, 224 pages)

# Surreal English eccentricity

With its Edinburgh Festival success *Stop Calling Me Vernon*, now in London, the clowning/physical theatre company The Right Size has returned triumphantly to what it does best: oblique, surreal and fundamentally English eccentricity.

Hamish McColl and Sean Foley, two-thirds of the performing core, are discovered on stage standing behind a blanket, with pillows strapped to their heads, singing a song about these bizarre sleeping arrangements and the dreams they enjoy. It is our introduction to the madhouse world of

fallen end-of-the-pler double act, Austin and Porter, who hone their number-coded gags while waiting for the day when they will be asked to display such gems as no. 99, "Walter on Elastic" in front of a big-time audience.

Austin and Porter's world owes much to such double acts as Morecambe and Wise, albeit in Dayglo colours. However, theirs is not a permanent funny-man/stooge relationship. Lanky, lugubrious Foley as Porter comes off slightly the worse in terms of pratfalls and violence from inanimate objects, but each performer vies to outdo the other in

terms of lunacy whilst still meshing perfectly in the tightly-choreographed slapstick sequences.

The idiosyncrasy never lets up, be it in the ludicrous death-in-the-trenches ditty "Bunty's Chips Are Down" or McColl literally putting his head through a fully-laden drinks tray (leading to the awesomely corny line, "I never knew the waiter wore glasses"). Connoisseurs of consummate silliness will find no better fare than this.

Ian Shuttleworth  
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# Anna Karenina takes to the stage

Usually, watching a stage adaptation of a beloved novel, you are all too aware of what has been left out. Characters, details, subtlety, texture - often many of the very elements that make it such a rewarding read have to be compressed or cut. One of the great strengths of Helen Edmundson's *Anna Karenina*, first performed by Shared Experience in 1992 and now revived at the Palace Theatre, Watford, is that she confronts this problem head on by celebrating the differences between stage and page.

Edmundson does not creep through Tolstoy's story shaving and squeezing, but plunges in, rips out the elements that suit her and reassembles them on stage. The result is a swift, intense piece of theatre.

Most versions of *Anna Karenina* focus on Anna, her unfulfilling marriage to Karenin and her ill-fated love affair with Count Vronsky. But Edmundson shares her story equally with the other major character, Levin, whose love for Kitty and whose agitated attempts to establish the meaning of life run counter to Anna's tragedy. Edmundson unravels the two stories and runs them side by side. Onstage the two characters, who do not meet until near the end of the novel, confide in one another. "Where are you now?" they call to one another across the stage - an audacious but admirable device that separates them from the other characters and, in practical terms, shifts time and place without the need for elaborate changes of set and keeps the story bowling along.

This strategy also emphasises the many polarities in the novel, between town and country, old and new, life and death, dark and light. We are left with a psychological chamber play that focuses squarely on a small group of characters and their passions, but that also allows the larger themes of the novel to seep in.

Giles Croft's fluent production embraces the emotional sweep of the story, although he seems hindered rather than helped by Lucy Hall's set, which cuts off the back of the stage with a screen that occasionally becomes translucent to allow you to see dramatically ironic dumbplay behind it. Characterisation is very strong however, reminding us

that, whatever else it may be, this is a story about a small circle of people. Kazia Pelka's warm, smokey voiced Anna is lovely: a vivacious, glowing woman at the beginning, she gradually becomes bedraggled, like an exquisite bird with faded plumage. Jonathan Jaynes's troubled, restless Levin is also compelling, as is Sarah McVicar's serene Kitty. Only Karenin (Jonathan Oliver) and Vronsky (Alexander Hardy) disappoint, becoming more and more caricatured as the evening progresses.

Both play and production do lose something in the second half - as Anna begins to disintegrate it becomes increasingly difficult to avoid melodrama, and the rising quota of tears and tantrums begins to wear you down. In a few crucial instances, the parallel motion of the adaptation also works against it - running the birth of Kitty's child in counterpoint to Anna's death scene may be thematically appropriate, but dramatically it detracts from both climaxes.

Nonetheless, this is an enjoyable evening that sends you back to the book for the right reasons. Edmundson has since adapted *The Mill on the Floss* to great acclaim; many bookworms will await her *War and Peace*, promised next summer, with a keen appetite.

Sarah Hemming

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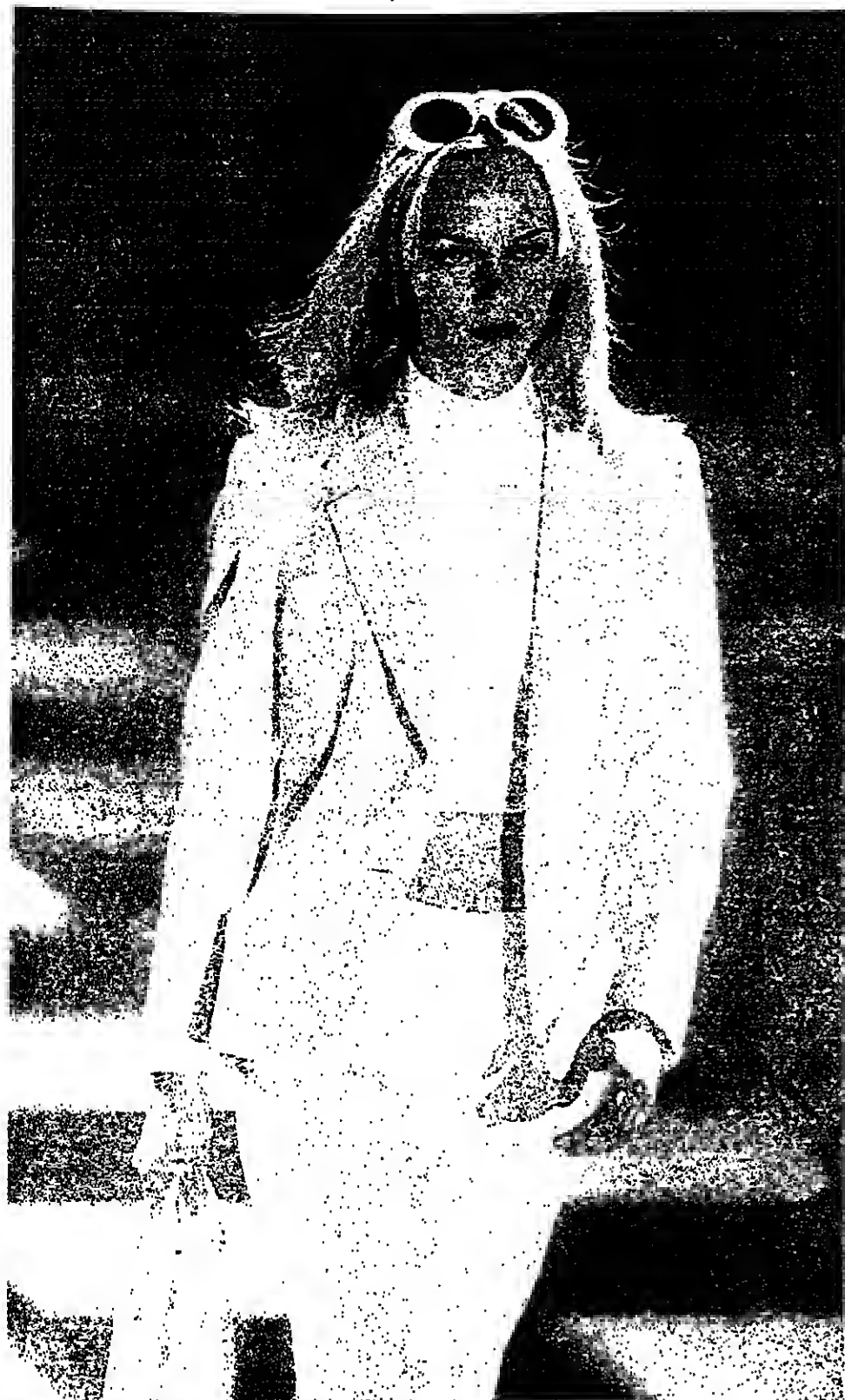
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## FASHION

## The choice: banal or minimalist?



Versace bridges the gap with canary yellow crêpe

For 1970s hippies or 1990s nerds? Avril Groom reports on the Milan collections

What a difference a designer makes. Milan was long regarded as the commercial hub of European fashion, with Paris the creative crucible. Armani and Versace, in their different ways, made waves but even they are as much about commerce as creativity.

Then the old family firm of Prada, already an "in" name for bags and shoes, started putting the spotlight on Miuccia Prada. Her clothes and her carefully-sculpted minimalism with a whimsical touch of nostalgia went from a well-kept fashion secret to something worth fighting for.

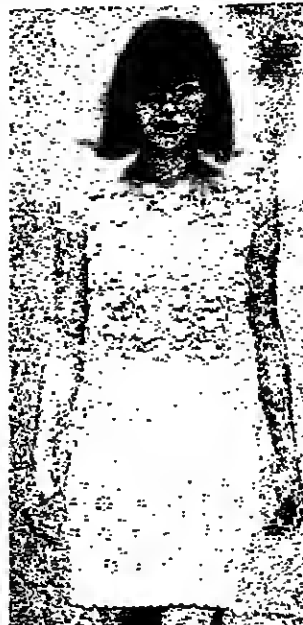
Now Gucci has revivalist fever. The installation of Tom Ford, a designer with a reputation to make, has taken this label in three seasons from a tacky has-been to the hottest ticket in town. Prada and Gucci, in their very different ways, have become the most influential names.

This week, the fashion world came to see if they could do it again for next spring: to see if Milan really is the new fashion centre that can eclipse an over-priced Paris.

The buzz in town is certainly confident. This is still the consumerist capital of Europe where, despite the low lira, the number of quilted Chanel bags is rivalled only by designer carrier bags.

The Milanese can now indulge their favourite hobby - shopping - on certain Sundays, when the Via della Spiga looks like London's Oxford Street in Christmas week, with security men controlling the queue at Prada.

Where greener cities would have birdsong, mobile phones trill from every Milanese corner. The latest telephonic gadget makes people look like gibbering madmen - it is a tiny earpiece with a remote microphone clipped to your lapel and the dialling mechanism



Lawrence Steele's rubber flowers on organza box top



Gucci's sleazy, hippy baby-doll black lace



Prada's train-spotter in gauzy green knit and printed check trousers

concealed in a pocket. This is a Milan must-have, along with footwear - either skinny, zipped knee-boots or the new "kitten- (or pin-) heeled" shoes (though only from Prada or its little sister Miu Miu) which are quite impractical in a city full of pavement gratings.

Alternatively, you could stand still in the queue at Gucci for its velvet hipsters, though there is a worrying lack of consensus on the correct trouser length. Model girls, distinguished by their flat stomachs, are desperate for whip-thin Gucci hipbelts with a "G" buckle or a navel-ring with a little dangling jewel.

We have seen a lot of model tummies this week. The hipster is everywhere on both trousers and skirts, part of the 1970s revival which has been threatening for some time and is now in full flood.

This is not, to put it mildly, a style for everyone: the amount of flesh exposed between crop top and waistband varies between the full expanse to a demure slit. Mania for the 1970s was captured perfectly by Gucci's winter velvets and shiny shirts. To keep one step ahead for spring, Tom Ford plunges straight into de luxe hippiedom, with panda eyes, messy hair, lace baby-dolls, devoré caftans, silk patchwork and a chiffon and feather version of the smelly Afghan coat.

This may be a deliberate attempt to shock fashion into moving on from minimalism but it is possible that Gucci has created a monster which could run out of control.

Prints abound elsewhere but they are modern and abstract (at Versace and Callaghan) or Pucci-esque (at Lawrence Steele and Philosophy) rather than psychedelic.

Other designers make light-hearted hippy references: appliquéd flowers and ethnic embroidery at Alberta Ferretti, a gypsy ragbag of flower-prints, embroidery and fringed crochet at Moschino and knitted wide-legged jumpsuits and crochet vests at 1970s' icon Missoni - but nobody, as yet, is taking it seriously.

Milan has decided for now that most women prefer the Prada view. Prada itself reduces detail still further, to a few shapes which it jokingly calls "banal fashion".

This means revisiting the 1970s dressing-up box and plucking out a St Laurent-inspired safari suit and the neat blazer and epaulettes shirt of a BOAC air hostess who occasionally forgets her skirt and goes out in a nylon slip with a fine contrast edging. All in high-tech, synthetic fabrics and fresh versions of once-dull shades such as Wedgwood blue, tan and grass green, it has an artless charm that stays just a whisker away from frumpdom.

Other designers also go minimalist, some surprisingly so. Ver-

sace (who nearly had a very good collection eclipsed by the ballyhoo over Liz'n'Hugh) has shed every ounce of glitz and relies on zinging colour and a beautiful cut for curvy jackets, skinny blouses, soft A-line skirts, the most flattering hipsters in Milan and bosom-convulsing evening dresses.

Dolce e Gabbana abandons its usual sassy corsetry, just as Gucci presses the sleaze button, and returns to its Sicilian roots. Think of Ingrid Bergman in the 1949 film *Stromboli*, or the early Sophia Loren, for wispy plain black dresses or skinny knits, worn with cowed scarves and rosary necklaces, and leopard-print chiffon tunics wafting over black swimwear, plus a cheeky take on the Mafia with pin-stripe hipster suits and tribbles.

Armani's soft minimalism now has a crisper, modern edge. A small, zip-up jacket is seamed to sculpt the body and flip out to hip level. Simple shapes in black or white vie with his beloved beige and grey. Plain A-line crêpe gowns, backless but for a tracery of fine straps like wheelspokes, share the evening honours with bead-encrusted tops and cloudy chiffon skirts.

Alberta Ferretti plays the light to their dark, with equally simple shapes in fragile pastel organza, translucent tiny nylon knits and appliquéd lace flowers, a feature of both the 1970s and Milan's spring vision. Flowers - in rubber - also appeared on the pale shifts and hoxxy tops of ex-Prada designer Lawrence Steele's collection.

This was the best of Milan's "young" shows, along with Callaghan, now designed by Englishman Scott Croft, though both showed skinny nylon T-shirts and unflattering hipsters which come perilously close to the Eriqtop nerd look now infesting menswear.

Help is at hand from the commercial side of Milan - the labels such as MaxMara, Ferra-

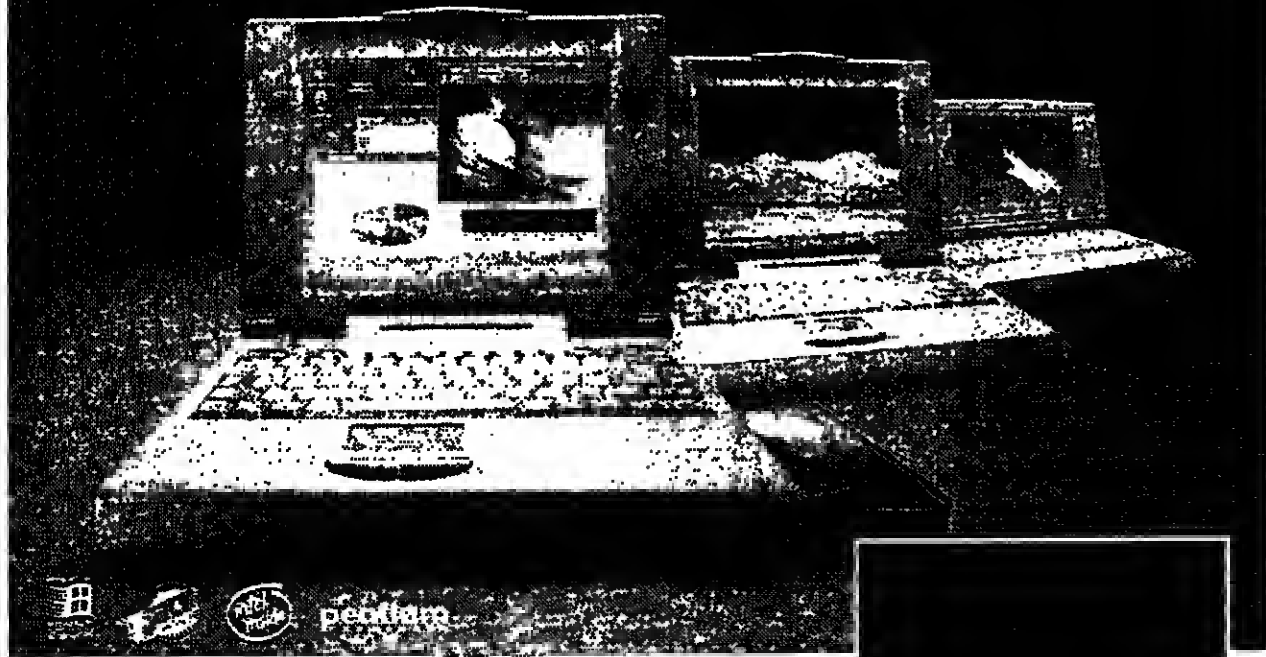
gamo and Emporio Armani - which will appear in real-life wardrobes next spring. The look is fresh and clearly defined, based on black, white, soft acid brights such as citrus, orange and turquoise; a whole range of high-tech fabrics - nylon (without last year's shine), flea market-style polyester brocade and sheeny man-made knits - plus natural fabrics, such as silk organza and shantung, and simple shapes.

These include the dress, newest as a buttoo-through shirt-waister, and the sleeveless jumpsuit, which go under the coat, leanly seamed and with a

set-in waistband, as shown by both Jil Sander and Alberta Ferretti. Jackets are shorter, either seamed to fit or boxy with bracelet-length sleeves, a shape echoed in sleeveless, back-fastening tops. Both skirt and trousers are either straight and narrow or easier and A-line - though they are low-slung, a fitted shirt or skinny knit bridges the gap smoothly. But for real fashion victims the choice is stark - hippies or nerds. The Paris shows may shift the balance but if Milan is now the creative focus then the die is cast. Should joss sticks be lit or will the "anoraks" have the last laugh?

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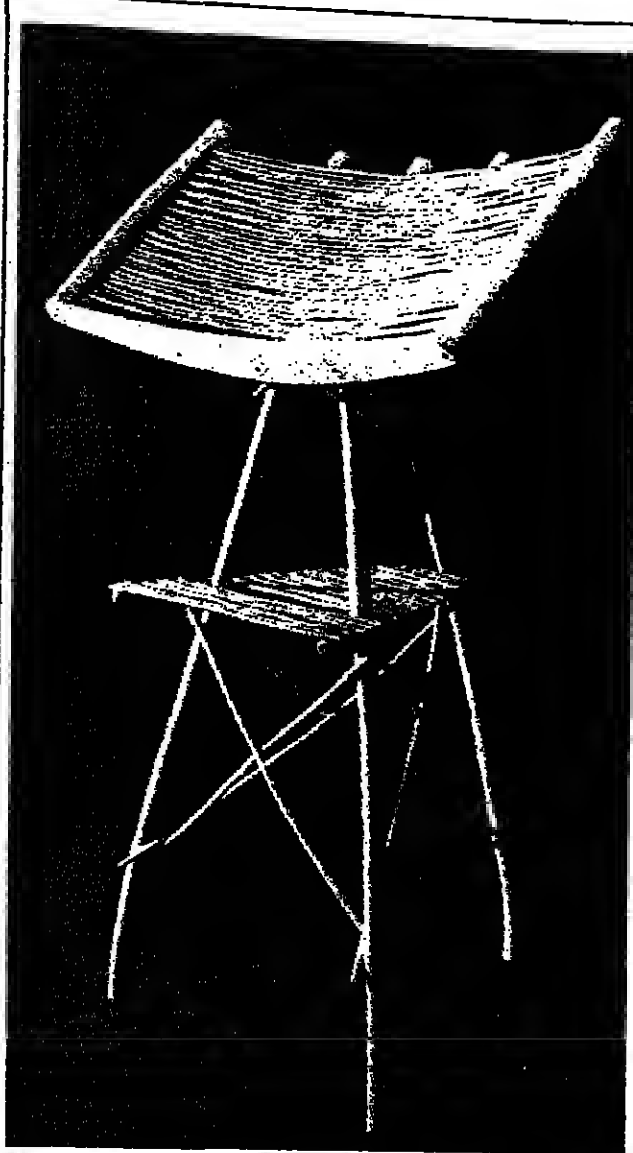
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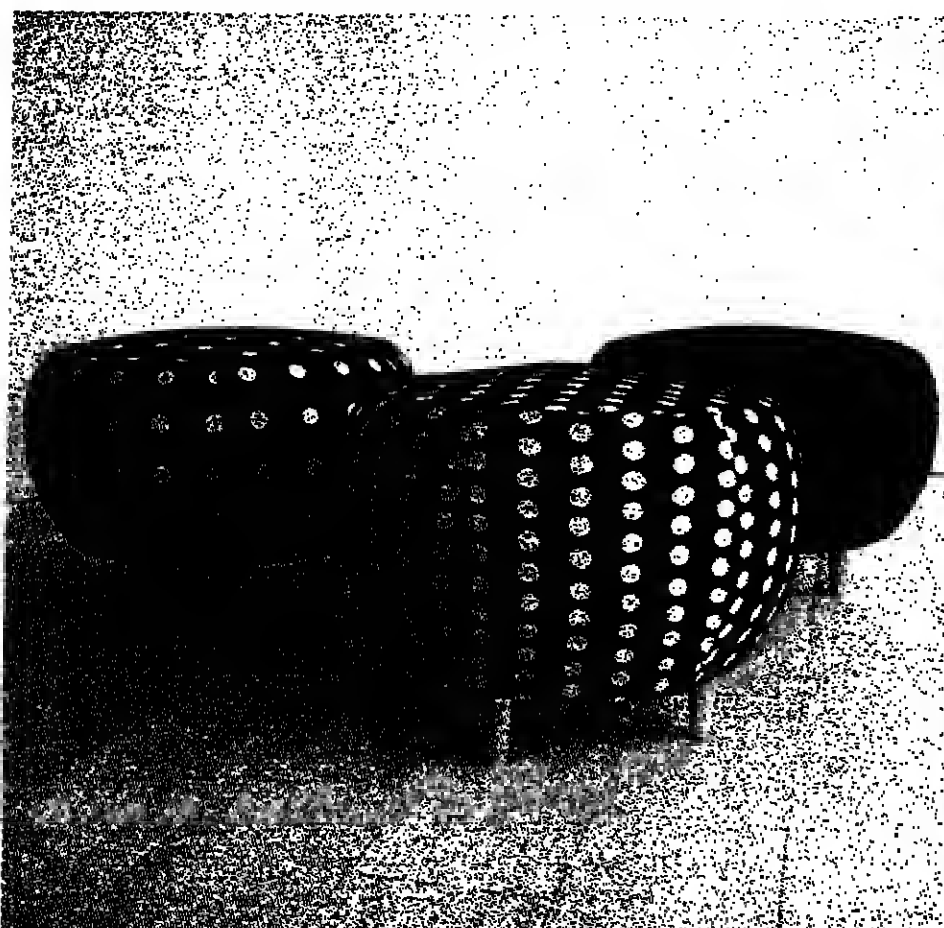
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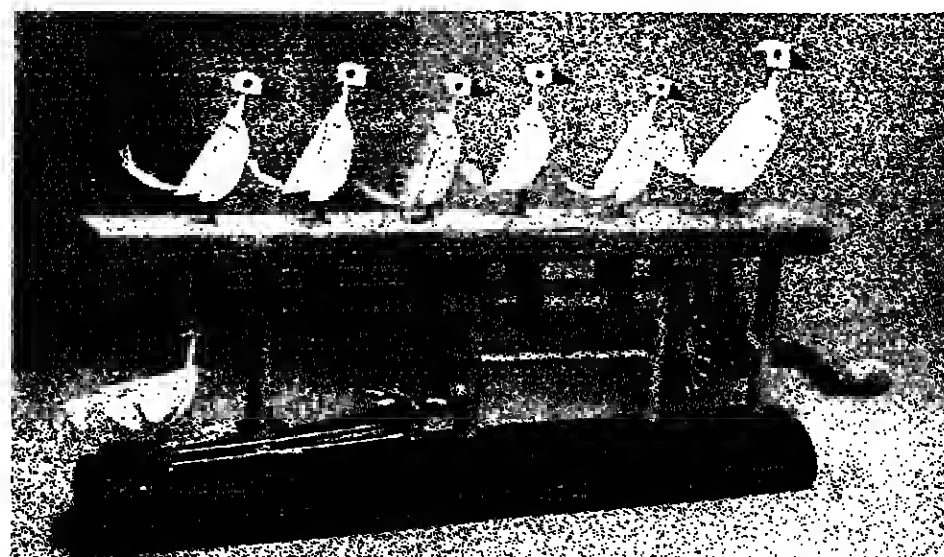
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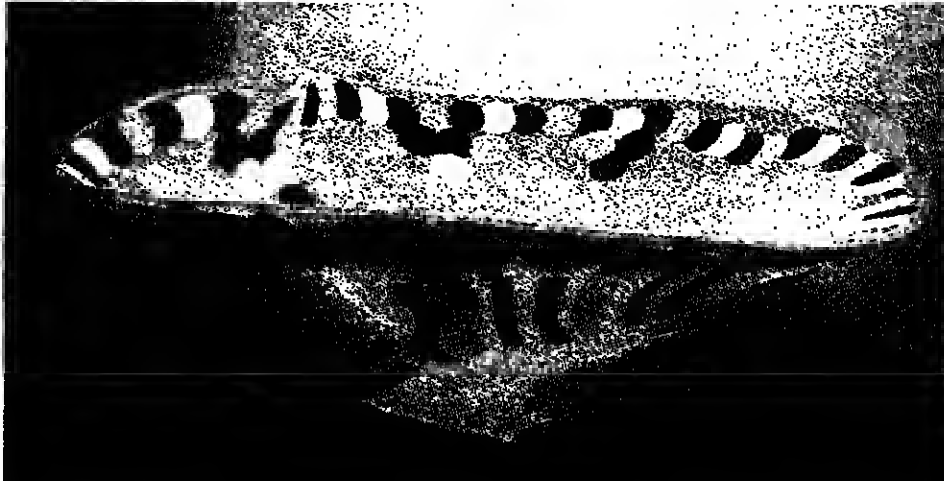
Now 17 years old, this venerable institution plays host to 60 new contributors this year



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# Crafts: a bargain now and for collectors in future generations

Lucia van der Post on Britain's brightest and best talent

**R**egular readers will be in no doubt about my passionate belief that many works by British craftsmen and women are the undiscovered bargains of the age.

Few modern craftsmen and women cost their time properly and few are able to get the prices their work should command. Too often they comfort themselves with the knowledge that at least they are out of the rat-race and doing what they most enjoy.

If anyone doubts that modern crafts are almost a steal, it is worth looking at what has happened to the collection started by the Crafts Council 24 years ago.

Since 1971, it has been spending roughly £10,000 a year on buying the best work around. By 1995 it had spent £257,000 and decided to get the collection officially valued. The stunning sum it is now worth is more than £2m.

The greatest appreciation in value was in the field of ceramics. Pots by Lucy Rie, Hans Coper and Bernard Leach, bought inexpensively - some for as little as £30 - are now worth in the region of £30,000. Interestingly, hand-made toys have also done exceedingly well. Sam Smith's toys, for instance, are greatly sought-after and, in America, have an almost cult following. Anyone who is interested in his work can see a collection in Southampton art gallery.

Next week offers you a chance to test your eye, to see if you, too, can spot the Lucy Rie and the Sam Smiths of the future.

First stopping-off place should be the Chelsea crafts fair, at 17 years old a venerable institution which, according to its established pattern, runs over two weeks with a completely different selection of craftspeople taking over the second week. The first week finishes tomorrow and the second week runs from Tuesday until (and including) Sunday, October 22.

As always there will be something for everyone - small pieces of jewellery, textiles and ceramics, furniture, fine jewellery, silver and glass. Prices will range from as little as £4 (for some small ceramic tiles) and go up to several thousand for fine silver or specially commissioned pieces.

This year I perceive a distinctly more sophisticated approach, with a cleaner, more contemporary mood affecting the craft world.

Look out for Stefanie Herzig's beautiful porcelain bowls and vases, for Janet Bolton's 3-D framed collages, for Bridget Drakeford's fine porcelain crackle and lustre ware, for Ruth Dresman's lovely glass bowls (all on view and sale until tomorrow). There are also some exceptional scarves and

shawls from £75.

Those who have visited the show in previous years can be reassured that they will not simply find more of the same. There are more than 60 new contributors, chosen out of more than 900 applicants.

Besides the chance to buy, do not forget that if you see nothing that suits perfectly you can always commission. Many of the fair's visitors go precisely with a view to finding the right person from whom to commission something special.

Finally, be encouraged by the thought that many antiques, which today seem such a secure refuge for one's money and such a safe choice for any interior, were once new and racy, requiring a sense of adventure to buy, a preparedness to indulge in a bit of fun and risk.

■ *Chelsea crafts fair is at Chelsea Old Town Hall, King's Road, London SW3 from until October 15 and from October 17-22. It is open from 10am to 6pm from Tuesday to Friday and from 10am to 6pm on Saturday and Sunday. Admission is £7 for one visit each week and £5 for a single visit.*

Not everyone, of course, can make it to Chelsea, nor to the Business Design Centre, in Islington, north London, where

**The Design Trust has just one brief - to promote the excellence of British design**

the best work from the best young British designers is to be seen - so Peta Levi, motivator, inspirer and organiser of New Designers in Business, has hit on the idea of taking design to the people. In other words she has produced a mail order guide to the best designers.

The guide, consists of a cardboard box filled with information sheets, each one featuring a photograph of the work of a designer, a history of previous work and exhibitions and a small description of what the designer does.

In the past, any potential client would have needed to go to one or other of the centres holding their records but now the box of information can be ordered and studied at home.

The work of the designers provides a wonderful tribute to Peta Levi. Many would not be in business, let alone have such a colourful platform to show their pieces, if it were not

for her enthusiasm, support and downright stubbornness.

She got the Islington centre to feature the work of many designers and she has now persuaded Purves & Purves, an interesting and adventurous furniture and furnishings store at 80-81 Tottenham Court Road, London W1P 9HD, to hold a selling exhibition. Running from Thursday October 19 to Saturday November 11, it is another chance to see and buy anything from hand-crafted furniture for the home to Christmas presents such as clocks and baskets, decorative ceramics and hand-blown glass, wine glasses and garden chairs.

Peta Levi refuses to differentiate between craft and industrial design and The Design Trust, the company she has set up to look after these interests, has just one brief - to promote the excellence of British design, whatever form it takes.

Some of the designers specialise in one-off pieces, some in batch-production. Others produce designs that are sub-contracted to a manufacturer and batch-produced. The only criterion is that they should be fine of their kind.

The Design Trust produces an index to objects as diverse as a metal bed with crystal ball decorations by Adrian Reynolds, "kinetic" teapots by Anthony Parfitt Designs, a weird and wonderful television sculpture by Paul Badham, gold rings by Elisabeth Anstice Brown, charming coloured hand-blown glass by Marianne Buus, a Medusa chandelier by Clare Thatcher Design and a drawer unit of almost Shaker-like simplicity by Gabbettas.

■ *The Design Trust index is available from The Design Trust, 9 Burgess Hill, London NW2 2BY, price £4.25. Tel: 0171-435 4348*

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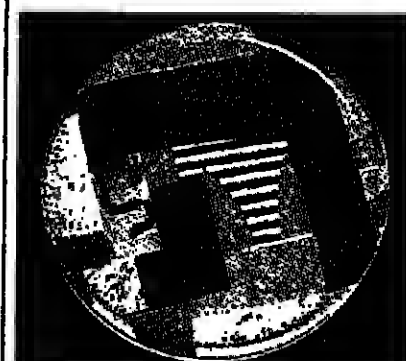
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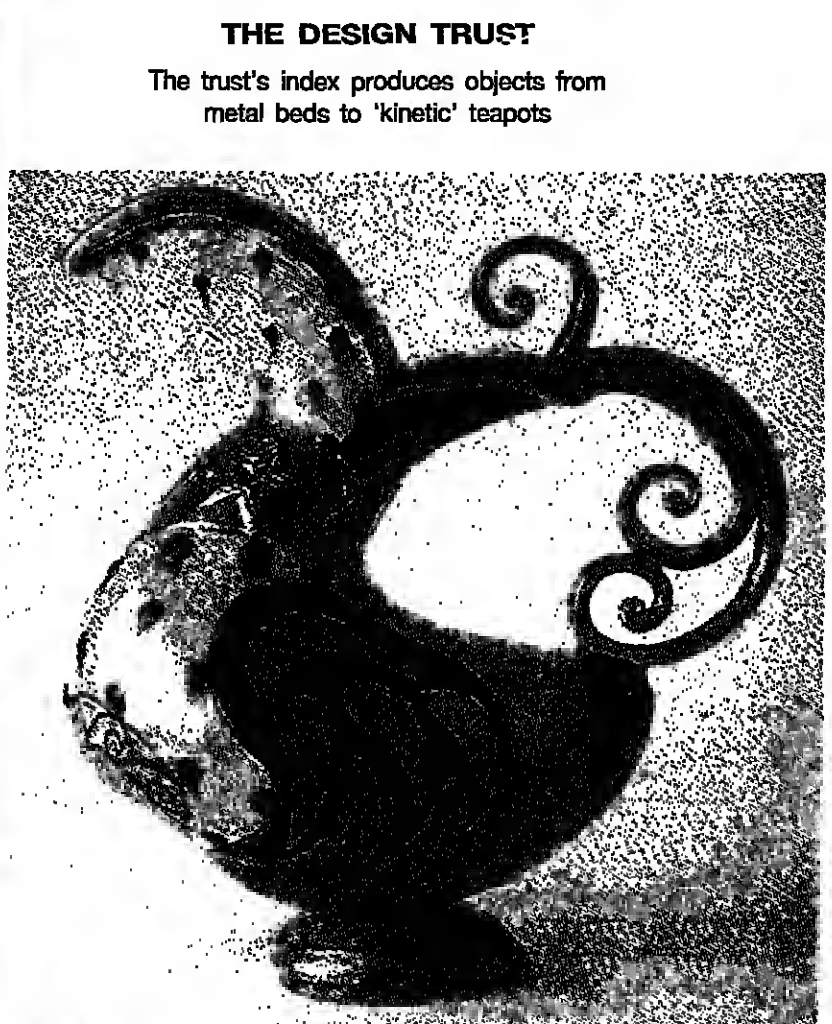
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Clothes of Peruvian alpaca will keep you warm in Britain, says Lucia van der Post

If you can combine the three virtues of being very thin, under 20 and very rich, then the latest offerings from Prada, Gucci, Versace *et al* which Avril Groom writes about on Page XIV will no doubt be high on your agenda for the coming winter. Oh, and I almost forgot... you need to be impervious to the cold as well.

As for the rest of us as we set off on the school run, do the shopping, take in a country walk, visit friends or the theatre (via the underground car park) we might just be looking for something a little more forgiving, a little more warming and a little less costly. Well, we all know that Prada, Gucci, Versace and their kind are there to add to the gaiety of nations, to inspire and add spice to the business of clothing the developed world, but for actual real-life clothes many of us might turn to something such as the Peruvian Connection.

Here you will find the kind of clothes that seem to have no relationship to high fashion - they are forever clothes, clothes for wearing round the fire, for snuggling into

for walks along wind-swept beaches, for wrapping up in when the fog comes down and the temperature plummets. You do not need a whippet figure to wear them and once bought they will always have a role in your wardrobe.

The Peruvian Connection sells garments most of which come from the Andes. The catalogue features some wonderful Inis Meain Irish knits, but otherwise alpaca, dubbed the Peruvian cashmere, is the main fibre. Alpaca comes from the South American llama which, like the cashmere goat, inhabit the high, hostile regions of the Andes.

Here the cold air induces the llamas to grow thick coats of extremely fine, hollow-cored fleece. They were domesticated as early as the 8th century and today they are bred on a very small scale by native Andean herdspeople.

Soft, lightweight and with an almost silky feel, alpaca is even more scarce and much harder-wearing than cashmere, and it dyes exceedingly well.

The garments are mostly designed in New York and then

hand-made in Peru where the work is the main source of income for about 2,000 women and their families. All use traditional techniques and pass on the skills they learned at their mothers' knees to their own daughters.

Some of the designs have a strong ethnic look, featuring the sort of strong, colourful patterns that most of us will recognise from many a travel brochure. Frequently, though, the colours have been made more sophisticated and there is now a big selection of plain knitted garments for men as well as women. There is, for instance, a loose sweater of astrakhan-textured yarn in a soft grey which would make an easy (and chic) garment for wearing over jeans, grey flannel trousers or leggings. There is a coat-dress of almost Calvin Klein-like simplicity - long, straight lines, button-through to the neck - which could go to the most sophisticated urban event.

Then there is the alpaca shawl - in undyed charcoal alpaca with a herringbone weave running through it, it would earn its keep in

any woman's wardrobe. There is also a wonderfully soft cream baby alpaca dressing gown for £145 - perfect for draughty country houses. For throwing over sofas, keeping in the car or putting on a child's bed, there is an Amish coverlet - knitted squares in rich, dark hues for £284.

Apart from the Inis Meain sweaters, there is a small collection of garments (such as a deliciously pretty hand-smocked nightdress for £67) made from pima cotton, a fine luxury cotton with a silky finish from northern Peru. In addition there are some Peruvian artefacts - a few pottery figures and some wonderfully bold silvery jewellery.

The prices of the knitwear may seem high - the astrakhan-textured sweater, for instance, is £185, the shawl £149 - but remember that alpaca is a luxury fibre, scarce, marvellously light and warm.

Everything is sold by mail order only; catalogue from The Peruvian Connection, 8 Manor Farm Barns, Nettlebed, Oxfordshire RG9 5DA. Fax: 01491-642174.



Shawl-colored pullover in a traditional cable pattern by Inis Meain, £182.50



Handwoven herringbone striped coat, £171, worn with pig suede jeans, £150

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SPORT / GARDENING / MOTORING

# Baseball The adult's pitch for the final

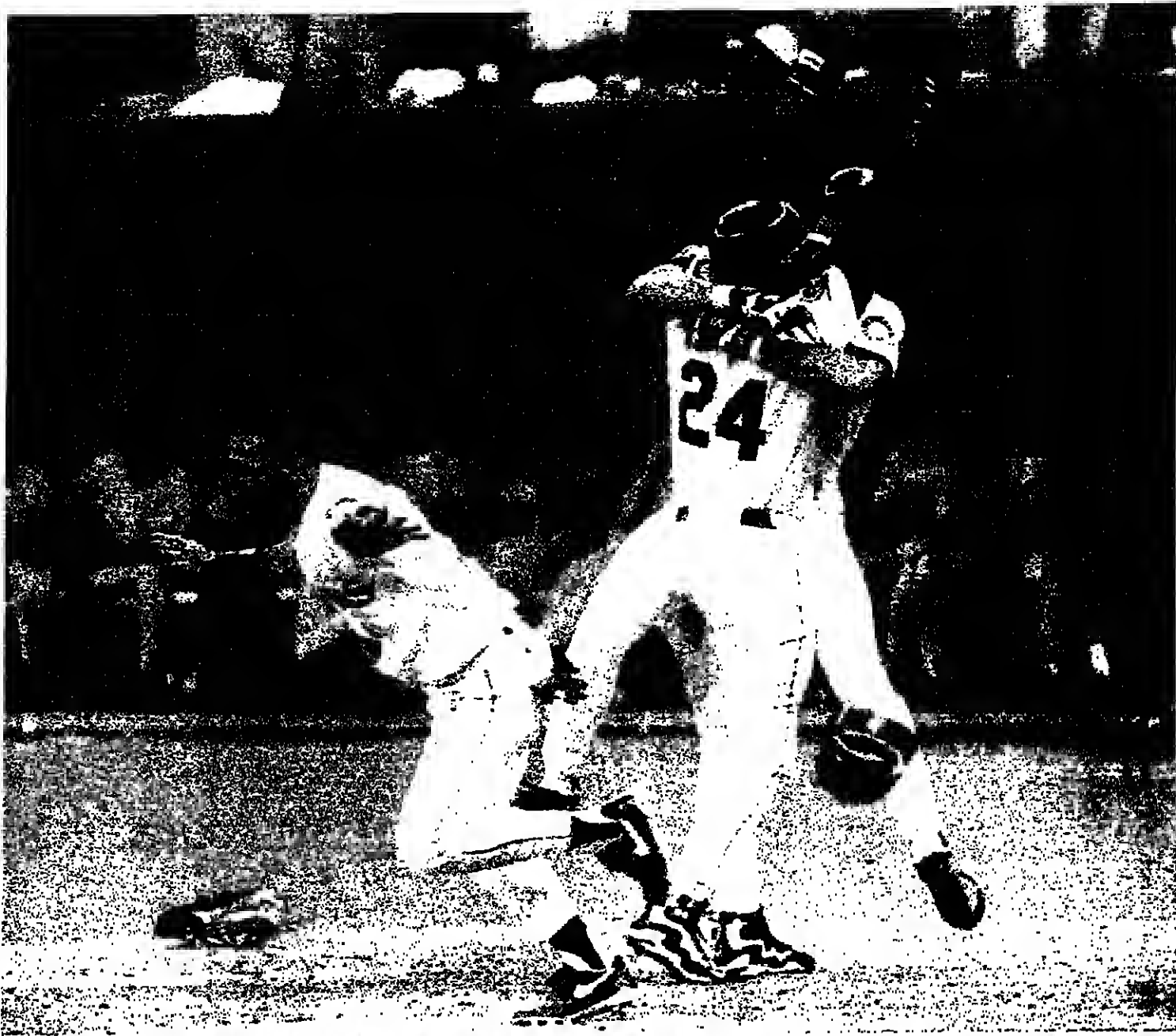
The radio commentator was getting pretty carried away with the virtues of Greg Maddux. "He's an adult," he was saying of the Atlanta Brave, "in comparison to him there isn't another pitcher in baseball who's more than five years old."

Wonderful though Maddux has been for four consecutive years, unequalled by anybody since Sandy Koufax from 1963-66, the judgment is a little unfair to a handful of his pitching contemporaries. At least of voting age are Mike Mussina of the Baltimore Orioles, Maddux's American League doppelgänger for style and control, David Cone, the ultimate late season mercenary who got the New York Yankees into the playoffs, and Randy Johnson, also known as the Big Unit and sometimes the Nightmare on Elm Street, from the Seattle Mariners.

Only Maddux and Johnson are around as the fight for the two World Series places narrows down to the final four, going into last night's third games in the best-of-seven series. Atlanta leads the Cincinnati Reds 2-0 and the Cleveland Indians have split their first two against the Mariners. But their presence underlines how much a dominant pitcher can cast a spell over the baseball playoffs. It does not always happen but Koufax, Mickey "the fat man" Lolich, Orel Hershiser, Jose Rijo and Jack Morris have all been recent indispensable elements of a World Series champion.

Of course, it is nice to have a World Series again to focus the autumnal mind after last year's strike wiped it out for the first time in 90 years. Nor had there been much to admire in this shortened 14-game season, which makes such a mess of this most statistical of games. The exception - indeed the sport's salvation - was the Orioles' Cal Ripken breaking Lou Gehrig's record for consecutive games played.

Naturally the team owners nearly managed to mess up the expanded playoffs as well. For reasons that are too complicated to explain in



Mariners sail on: Joey Cora celebrates while Ken Griffey Jr (24) hugs Alex Rodriguez after Seattle score twice in the 11th inning to beat the New York Yankees

less than 100,000 words, the new system, which allows eight teams into the playoffs instead of four, succeeded to matching the Indians against the Boston Red Sox in its first round. These merely happened to be the two teams with the best records in the American League this season. Worse, all first round games were played simultaneously, with a TV contract that offered only one of them live to the viewing public. It is no wonder that interest in baseball is declining.

Only one of the best-of-five first round series really stirred the juices, with the Mariners coming from two games to love down to beat the Yankees in the second half of the second extra inning of the fifth game. The Indians inevitably squashed the Bostonians, the Reds beat the Los Angeles Dodgers and Hideo Nomo, the Japanese pitching phenomenon, while the Braves, in spite of sub-par play by Maddux, found the Colorado Rockies pitching still in the cradle.

The form book predicts a Braves-Indians World Series. The quality of the Atlanta pitching, with Maddux,

Tom Glavine and John Smoltz taking turns to start games and a fine crop of relief pitchers, cannot be under-rated and the team certainly does not want to be known as the Buffalo Bills of baseball - always in the finals but never winning it.

But the Reds could give Atlanta trouble, partly because they match up well in most departments and partly because their manager is Davey Johnson, who showed in piloting the New York Mets to the championship in 1986 that he is as smart as any in the game. It is typical of modern baseball lunacy that Johnson ran the Reds all season knowing that Marge Schott, the doofy owner, was going to fire him as soon as it was all over, regardless of how well the team did.

It is hard to see Seattle besting Cleveland. The Mariners have Ken Griffey Jr, Edgar and Tim Lincecum and Jay Buhner who all pack a wallop in their bats and Randy Johnson who has been heroic in the post-season. He was the winning pitcher in a one game play-off against the California Angels after the two teams finished the regular

season tied at the top of the American League West. Johnson then beat the Yankees twice, the second time coming into the game late on as a relief pitcher. But the left arm of this 6ft 10 inch stork must be nearly falling off with fatigue and perhaps cannot sustain the most consistently rapid fastball in the business for much longer.

More to the point, the Indians, for so long baseball's doormat, are now awfully good. They won exactly 100 games in the abbreviated season and are a proper adornment for Jacobs Field, the lovely new ball park. What with the rock'n'roll hall of fame now open for customers, these are good times in Cleveland.

This is a skillfully constructed team which combines the young and powerful (Albert Belle, Manny Ramirez, Jim Thome, Carlos Baerga, Omar Vizquel, Kenny Lofton), the merely old (Orel Hershiser) and the genuinely ancient (Dennis Martinez and Eddie Murray). It also offers the best relief pitcher in base-

ball, Jose Mesa, like Martinez and Murray a former Baltimore Oriole.

The old warhorses really enjoyed remarkable seasons. Martinez, relying on guile and cheating tobacco, is now within 12 wins of passing the great Juan Marichal's 243 career victories, the most by any Latin pitcher in the major leagues. Murray, whom Ripken singled out as a role model, finished fifth in the American League batting averages, became the 20th member of the 3,000 hit club and now needs just 21 more home runs to become the 21st player to reach 500.

Perfection would see Martinez (or Hershiser) pitching against Maddux in the seventh and deciding game of the World Series the week after next. The sublime would find the slim, almost professorial Maddux, striking out Belle (50 home runs) or Murray with a gentle Slough slider to win it for Atlanta in the ninth inning. However, a personal sneaky suspicion has the Indians in five games - and quite possibly over the Cincinnati Reds.

Jurek Martin

# Golf / Derek Lawrenson Matchless matchplay

Thirty-one years have passed since Mark McCormack had his first grand idea for a golf tournament. He has not had one since to equal it. Apart from the Ryder Cup and the four majors, this week's Toyota World Match Play Championship remains the professional event to which I look forward most eagerly each year.

It was even more illustrious in the early days when the event lived up to its title and Gary Player relished the opportunity to demonstrate that no one was better when it came to a meeting of minds. In spite of opposition from contemporaries such as Arnold Palmer and Jack Nicklaus, and a long golf course that hardly suited his game, Player won five times in the first nine years.

These days the field consists of 16 players rather than eight to compensate for the fact that many of the elite have discovered easier ways to earn their money than 36 holes a day round Wentworth. Ironically, it is the proliferation of tournaments by innovators such as McCormack, with their absurd prizes, that has brought about this state of affairs.

McCormack's company, the International Management Group, has hardly helped the status of the World Match Play by handing out mass invitations to the players they manage each year, even though sometimes they are undeserved. One place is always given to a promising newcomer; how convenient when he always seems to be managed by IMG.

In spite of the hint of faded grandeur and the autocratic selection system, the format retains its appeal to many of the players and of the golfing public, while Wentworth, in its autumn shades and with its long closing holes where brilliance and buffoonery are equally possible, is the ideal venue.

Given this popularity and the Ryder Cup's development into one of the great sporting contests it is perhaps surprising that so little matchplay golf is played by the professionals. After all, who does not get tired of the continual 72-hole grind? Certainly the public do, to judge by the viewing figures that Sky Sports attracts. Last month's events at Oak Hill merely emphasised that golf serves up its most enthralling drama when pitting player against player, rather than player against course.

The Ryder Cup and the World Match Play appeal greatly as well because they come closest to the form of golf with which the club player is most familiar.

Few golfers bother with the strokeplay format unless it is forced upon them with the monthly medal.

They would rather challenge their friends to a matchplay contest. The European tour has tried to introduce other matchplay events. You may remember the Epson Grand Prix that was held at St Pierre for some years in the 1980s. The trouble is that television companies do not like matchplay. What are they supposed to show on the last day to fill in all the air-time that exists between shots played by the two finalists? It also interferes with schedules. If a match finishes, say, six and five, that means an hour's worth of air-time with no live golf with which to fill it. The sponsors are not happy either when their name is up in lights for an hour less than that for which they bargained.

Even so, the viewing figures that the World Match Play will attract this weekend together with the numbers who will wander around Wentworth demonstrate that these problems are worth overcoming.

Why not a foursomes matchplay championship? Foursomes is the oldest and purest form of the game and would not, for example, Ballesteros/Olazabal versus Montgomerie/Faldo, stimulate a wider interest than yet another four-round event?

The dilemma for the tour is that such tournaments work best when limited to perhaps 22 players and they have 200 members to look after. Yet two or three limited field matchplay events during a season would be in everyone's interest. Instead we have one, unless you count next week's Alfred Dunhill Cup, and who does? This was another McCormack idea, one of his worst.

In an effort to overcome TV reluctance he devised a format which embraces the spirit of matchplay but is actually strokeplay, thereby ensuring that every game goes to the 18th hole. Being neither one thing nor the other, the format is nonsensical and accordingly the rules are revised every year in an effort to make it a little less so. What McCormack should do is admit the format is fundamentally flawed and start again.

Instead we get farces such as the year Japan played England in a semi-final and after 18 holes two of the Japanese players had halved with their opponents and one had won. Under McCormack's format, England went through to the final.

The only thing that saves the event is that it is held at St Andrews. If the Dunhill Cup is an example of what has to happen for matchplay golf to gain TV interest, then perhaps we are better off with just this week's feast at Wentworth.

Gardeners are as curious as the curious plants which they cultivate: why do they do it? Are they wanting beauty or are they showing off? Are they driven unawares by nostalgia or by a conscious urge to collect? Non-gardeners sometimes think that it is all a substitute for sex, but their view does not impress gardeners who know nothing about other gardeners' track records. The recent weather might seem to have given enough of an answer, who can resist gardening when the light is so good on the autumn's daisies and the soil is perfectly workable? Between bending and heaving, I have been exploring various statements by gardeners of their deeper commitment. Obsession, adventure and reflection may sound familiar, but there are good new books on each of them.

A kind reader in America has alerted me to Geoffrey Charlesworth's *A Gardener Obsessed* (Godine, \$24.95). Charlesworth is an Englishman who lives in Massachusetts; he has retired from a professorship of mathematics and his fascination with seeds and

# Gardening / Robin Lane Fox Greenfingers that make words sprout

plants, especially alpine, can run with fewer obstacles. The New York Times has described his writing as "zesty and fast-paced", and it is true that he can be exhausting. Perhaps the style explains the gardener. He cites "a few resolutions made on my 70th birthday" which may interest those of you who have started to think about pensions. "One: give up a bed each year from now on. Two: sow at least 200 fewer pots of seed each year. Three: hire a landscape architect for an hour each year (just for wedding). Four: stop photographing every pest on my plants. Five: sit on a bench once a week."

Resolution Three is particularly delicious, but in his 70th year, Charlesworth in fact made 18 beds, then built four new crevice gardens and in 1994 sowed more than 2,100 packets of seed. I recommend his chapter on Gardening in Old Age to anyone who is not

afraid of backache and I also respect his Plant List: *The First Hundred*. It shows the "most rewarding" alpine plants through American eyes, and we can readily disagree with at least half of them. Charlesworth presents himself as a quiet realist who ends by approving uneventful living. "A perfect day for anybody is most likely one of the in-between days when nothing happens." I suspect that he appreciates them because his seed-raising, so vividly in evidence, leaves him little opportunity to find his ideal in the calendar.

Peter Smithers' *Adventures in a Garden* (Harvill, £30) is altogether different. Now in his 80s, Sir Peter is the planter of what must be one of modern Europe's most wonderful garden-collections. A true gardener from childhood, he settled in 1970 at Vico Morrote above Lake Lugano where the



climate has been in his favour. He now looks out across marvellous groves of magnolias, camellias and rare shrubs, festooned with wisterias and punctuated by his great loves, lilies and peonies.

Beauty, curiosity and collection do seem to have spurred him on, combined with a meticulous eye which has led him into fine photography. His role as Secretary General of

the Council of Europe appears in the frequent personal networking which runs through his text and is more interesting to the few participants than to the rest of us. His experiments with his favourite varieties are worth anyone's attention, especially when they escape the networking prose and its strange, staccato sentences. Sir Peter will tell you how to prune wisterias and how best to test whether a pot needs watering. He confirms that the best of the evergreen magnolia grandifolia varieties is the large-flowered Gollath. Many of us have been landed with the smaller Exmouth and I agree with Sir Peter that it is the wrong choice.

Like the obsessive gardener, the adventurous gardener lists the smaller Exmouth and I agree with Sir Peter that it is the wrong choice. Like the obsessive gardener, the adventurous gardener lists the smaller Exmouth and I agree with Sir Peter that it is the wrong choice.

will make nurserymen hunt out things such as Iris japonica (Bourne Graceful). The first choice on his list is a glorified common elder, *Sambucus canadensis* Maxima, with large white flowers, although it reads as if the Smithers family has yet to discover the charms of elderflower ice-cream, made from its florets. Out of flower it would annoy me, but the author evidently enjoys it.

Sir Peter's punctuated style is not naturally suited to authorship, but his knowledge makes his book one which has to be absorbed by any fellow enthusiast. Reflective gardening is very different. Its new exponents are Rory Stuart and Susan Hill in their *Reflections from a Garden* (£16.99; Pavilion).

Hill has a commanding style and emerges once again as a prose artist of the evocation of gardens' better moments and impressions. She is busy nowadays with

her own large Cotswold garden, begun from scratch with Rory Stuart's help, although his individual comments in this book's section of disagreement greatly outnumber Susan's disagreement with him. Their book will not teach you to grow or choose anything in particular, but it does reflect on the process in a distinctive style. It preaches liberation, the banishment of the guilt which so often affects keen gardeners and the value of "tension" in a garden's design, "tension to lure us on, but not too much".

The writers like back gardens, seen from trains, not just the front gardens which fashion over-emphasises. They often emphasise how "we" yearn for the garden that once were the gardens of our early reading. Perhaps they do, but I certainly do not, loathing the garden in *Alice in Wonderland*, disliking both types of garden

in Knid Blyton's *Famous Five* and failing to establish the cowslips in the fields in the animal books of Alison Uttley which have otherwise faded from my psyche.

However, the authors weave some enchanting literary references through their reflections, not least from the great Canon Eliot on the necessity of change. Their epilogue becomes an unusual prospect to the garden as the setting for summer theatre. We need reminding that gardens are a setting for human activities.

Confronting winter, their literary minds "long for change and stillness, like that sympathetic anonymous gardener who cried, 'Hooray. The first frost. The dahlias are all dead'". I must point out that this "sympathetic" voice was no gardener at all, but the novelist Surtees's Mr Jorrocks, the king of self-made foxhunters. One answer to the obsession and the adventure is to garden until the hunting season and then start again in March. I recommend it, but Mr Jorrocks's challenge cannot be recycled as a plea for a quiet, winter life.

# Motoring / Stuart Marshall

# Malaysia's budget beater

With more than 50 per cent of all new cars being bought with company money, private individuals who dig deeply into their taxed resources to pay for their own motoring sometimes get overlooked.

In my experience, many of the car enthusiast magazines to which such buyers might turn for advice are not much help. Their performance-obsessed writers may never have had to pay their own motoring costs because they have always had the use of company-owned cars.

The views of budget-priced cars are either patronising ("not bad if you don't mind being bored to death every time you drive 17" or unreal ("the engine is unacceptably rough at over 5,000rpm in the gears") and "you can lift a wheel easily when cornering"). They may well be right. But does more than a tiny minority of car buyers drive habitually as if it had just robbed a bank

and the police were in hot pursuit? Not in my experience.

Their priorities are reliability and low operating costs. They neither wish, nor can they afford, to put too much money up front.

If choice were based on economics alone, one of the three-year-old mainstream makes now cluttering dealers' forecourts could be the best bet. But there is something special about a brand new car. It even smells different.

And I know of no better way of getting behind the wheel of a new car without breaking the bank than going for one of the lesser known imported brands, the Proton from Malaysia.

Mitsubishi Lancer. Selling from £7,405 upwards, this four-door with engines of 1.3 or 1.5 litres is such good value that about the only car of similar size to undercut it is the Lada.

But the kindest thing one can say of a Lada - whether the geriatric Riva or front-wheel-driven Samara - is that while they may be tough and long suffering, their refinement and finesse are no match even for obsolete Japanese technology.

A couple of years ago, the Proton Persona appeared. It was rounder and more modern in styling and powered by Mitsubishi-designed engines of 1.5 or 1.6 litres. The £9,405, 1.5 GLi four-door entry model costs the same as the top version of the original Proton, the 1.5 SL

Aeroback. At a glance, it could be taken for a current model European or Japanese car, most of which look pretty much the same to many people, anyway.

The go-faster magazines were predictably rude about it but I found it perfectly pleasant to drive. At £11,795 list price, a 1.5 GLSi four-door, complete with automatic transmission and air-conditioning, was a bargain.

A few days ago I sampled Proton's latest, the Persona Compact, which makes its debut at the London Motor Show next week and goes on sale soon afterwards. This mildly sporty-looking three-door will be pitched against the likes of the VW Golf and Vauxhall Astra, although its

prices (from £7,799 to £10,499) fall off at the point where those of its rivals start.

The only thing I really missed on the cheapest 1.3 GLi was power steering, which is standard on the 1.5 GLSi and 1.6 GLSi. The 12-valve engine delivers a modest 74 horsepower but runs smoothly, while the five-speed gearbox has a light, quick shift.

Others I tried were a £9,494, 1.5 GLSi with automatic transmission - ideal, I thought, for mainly urban use but in no way breathless on motorways - and the £10,499, 1.6 SEI which has an 111hp, 16-valve engine and is Britain's cheapest car fitted with air-conditioning as standard.

The build quality and trim levels are surprisingly good.



Malaysia's Proton Persona Compact...a sporty looker with a price tag that leaves its rivals far behind

All the Persona Compacts have a nice, solid feel and ride fairly firmly, particularly the 1.6 SEI which has low-profile, 60 series tyres. The seats are comfortable and the remotely released tailgate opens on to a reasonable load space.

Even the cheapest Persona Compact has a rev counter, electric headlamp load adjustment, and an alarm to remind you if you leave the lights on

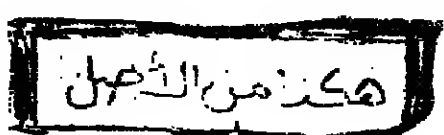
or the key in the ignition when parking.

A driver's airbag and manually operated tilt and slide sunroof are provided on all but the cheapest 1.3 GLi, on which they are £245 and £290 extras. Even the 1.3 can have air-conditioning for £995; power operation for the sunroof on any model is £95.

In the past, I have rated Protons far above Ladas, much

better than the Skodas produced before VW took control, and roughly on a par with Hyundai. The company has some ambitious plans for the future, including possible moves into the executive saloon, multi-purpose vehicle and recreational 4x4 markets.

Meantime, the new Persona Compacts have edged the marque higher up the status ladder.





INTERNATIONAL ARTS GUIDE

What's on in the principal cities

AMSTERDAM

**GALLERIES**  
Rijksmuseum Tel: (020) 673 21 21  
● The Portrait: drawings, prints and photos spanning some 500 years. Artists include Van Gogh, Rembrandt and Gauguin; to Oct 29  
Stedelijk Tel: (020) 5732 911  
● 100 Years: three exhibitions to celebrate 100 years of The Stedelijk. On show is art from the Regnault Collection which includes the likes of Kandinsky, Chagall and Chirico plus specially commissioned work for the centenary; to Oct 29  
● Christian Basileans: giant video installation; from Oct 14 to Nov 26

**OPERA/BALLET**  
Het Muziektheater Tel: (020) 551 89 22  
● Moses and Aaron: by Schoenberg. A new production directed by Peter Stein and conducted by Pierre Boulez. Soloists include David Pittman-Jennings as Moses and Chris Merritt as Aaron; 8pm; Oct 15 (1.30pm) 17, 20, 23

ANTWERP

**OPERA/BALLET**  
De Vlaamse Opera Tel: (03) 233 66 85  
● The Marriage of Figaro: by Mozart. A new production directed by Guy Joosten and conducted by Peter Erskens. Soloists include Boja Skovhus, Gillian Webster and Stephen Gadd; 7.30pm; Oct 14, 18, 20, 22 (3pm)

ATHENS

**GALLERIES**  
Cycladic Art  
● British Images of Greece: from the Benaki Museum; to Oct 30

BALTIMORE

**CONCERTS**  
Symphony Hall Tel: (410) 783 8000  
● Baltimore Symphony Orchestra: with soprano Janice Chandler. Christopher Seaman conducts Bach, Villa-Lobos, R. Strauss and Schumann; 8pm; Oct 14, 15 (3pm)  
● Baltimore Symphony Orchestra: with soprano Carolyn Blackwell, mezzo-soprano Delores Ziegler and tenor Karl Dent. Robert Shaw conducts Barber and Mozart; 8.15pm; Oct 19, 20, 21

**GALLERIES**  
Baltimore Museum Tel: (410) 396 6310  
● Parallels and Precedents: 19th century French art from the George A. Lucas Collection. The exhibition highlights the parallels between the Lucas Collection and permanent collections in the BMA and the Walters Art Gallery with more than 100 pieces by artists such as Monet, Matisse and Picasso; to Oct 15

**OPERA/BALLET**  
Lyric Opera House Tel: (410) 727 6000  
● La Traviata: conducted by Alfredo Siliplini and directed by Frank Corsaro. Cast includes Daniela Longhi/Maria Pellegrini, Nicole Biondi and Steven Rainbolt; 8.15pm; Oct 14, 18 (7.30pm) 20, 21, 22 (3pm)

BARCELONA

**GALLERIES**  
Centre de Cultura Contemporània Tel: (033) 4120781  
● A Century of Cinema: documents, photographs, excerpts from films, sound documents and showings of the most representative images of the medium; to Jan 15  
Fundació Joan Miró Tel: (93) 329 19 08  
● Arata Isozaki: drawings and paintings by the Japanese architect who was responsible for the Los Angeles Museum of Art, the Brooklyn Museum, Munich Museum of Art and other buildings of a public nature; to Nov 5  
● Obr, Reus, Paris, London - That's How I Wander... installation by the group of artists, Fundació Joan Miró. 13 trunks filled with memories and dreams of childhood reflect a voyage through time and memories; to Nov 19

BERLIN

**GALLERIES**  
Bauhaus Archiv Tel: (030) 254 020  
● The A and O of the Bauhaus: more than 400 Bauhaus advertising designs that demonstrate their printing, typography and graphics; to Nov 12  
Martin-Gropius-Bau Tel: (030) 25 48 60  
● Berlin-Moscow Moscow-Berlin: 2,000 paintings, photographs, film and stage sets by artists such as Dix, Chagall, Nabokov and Grosz. This is the centrepiece of the Berlin-Moscow festival and includes art works from the Tretyakov Gallery; to Jan 1  
Neue Nationalgalerie Tel: (030) 2662653  
● Cy Twombly: comprehensive retrospective consisting of 120 works by the contemporary American artist; to Nov 19

**OPERA/BALLET**  
Deutsche Oper Tel: (030) 34384-01  
● Götterdämmerung: By Wagner.



A detail from 'Femme se Toilette' by Pierre-Auguste Renoir, Paris

Conducted by Jiri Kout and directed by Götz Friedrich, this performance concludes the complete cycle; 5pm; Oct 15  
● Madame Butterfly: by Puccini. Conductor Sebastian Lang-Lessing, production by Pier Luigi Semerari; 7.30pm; Oct 21

BILBAO

**GALLERIES**  
Bellas Artes  
● Lieberman, Stevovt and Gorin: representatives of German Impressionism; to Oct 29

BONN

**GALLERIES**  
Kunst- und Ausstellungshalle Tel: (0228) 9171 238  
● Bernhard Heiliger: tribute to the sculptor on his 80th birthday with a retrospective that includes sculptures, reliefs and drawings; to Oct 20

BRUSSELS

**CONCERTS**  
Beaux-Arts Tel: (02) 507 82 00  
● Monnaie Symphony Orchestra: Antonio Pappano conducts Webern, Schoenberg and Brahms; 8pm; Oct 15

DUSSELDORF

**GALLERIES**  
Kunstsammlung Nordrhein-Westfalen Tel: (0211) 83810  
● The World of Children: comprehensive survey of Picasso's work with children; to Dec 3

LONDON

**CONCERTS**  
Queen Elizabeth Hall Tel: (0171) 929 8800  
● Moscow Chamber Orchestra: Constantin Orbelian conducts Prokofiev/Borshai, Shostakovich/Borshai and Tchaikovsky; 7.45pm; Oct 17  
● Recital Rogé: pianist plays Fauré, Satie, Ravel, Poulenc and Debussy; 3.30pm; Oct 22  
● The Chinese New Tide: with soprano Judith Mok and baritone Shi Kelong. Tan Dun conducts a programme of first generation Chinese composers such as Qu Xiaosong and Chen Qigang; 7.45pm; Oct 22  
● Tunde Jegede Ensemble: an evening of African classical music with kora player and cellist Tunde Jegede; 7.45pm; Oct 19  
Royal Festival Hall Tel: (0171) 928 8800  
● Forest Philharmonic Orchestra: mark Shanahan conducts Handel, Puccini, Dvořák and Lehár; 7.30pm; Oct 16  
● Guitar Encounters: an evening of guitar, flamenco and Andean music with John Williams, Paco Pena and Inti-Illimani; 7.30pm; Oct 24  
● Philharmonia Orchestra: Christoph von Dohnányi conducts Richard Rodney Bennett and Mahler; 7.30pm; Oct 19  
● The London Philharmonic: with soprano Rosalind Plowright and the London Philharmonic Choir. Roger Norrington conducts Beethoven, Gluck, Weber, Berlioz and Spontini; 7.30pm; Oct 15  
● The London Philharmonic: Roger Norrington conducts an all-Berlioz programme; 7.30pm; Oct 18

**GALLERIES**  
Barbican Tel: (0171) 638 8891  
● Carrington: retrospective of works by artist Dora Carrington (1893-1932). The exhibition contains paintings, drawings, woodcuts and illuminated letters; to Dec 10  
● The Art of African Textiles: comprehensive look at innovations in textile design across the continent; to Dec 10  
Photographers Gallery Tel: (0171) 831 1772  
● Appeal to this Age: photographs of

the American Civil Rights Movement by artists such as Gordon Parks and James Keras; to Oct 14  
Seatchi Tel: (0171) 624 8299  
● Young British Artists V: works by Kerry Stewart, Glenn Brown, Keith Coventry and Hadrian Pigott; to Dec 30  
Serpentine Tel: (0171) 402 0343  
● Big City, Artists from Africa: sculptures, drawings, images and objects by contemporary artists from several African countries; to Nov 5  
South London Gallery Tel: (0171) 703 6120  
● Gilbert and George: The Naked Shit Pictures. Recent works by the artists; to Oct 15

OPERA/BALLET

English National Opera Tel: (0171) 632 8300  
● Carmen: by Bizet. Conducted by Sir Edwardes/Michael Lloyd and directed by Jonathan Miller. Soloists include Louise Winter, Robert Brubaker and Janice Watson/Cathryn Pope; 7.30pm; Oct 19, 21 (2pm)  
Royal Opera House Tel: (0171) 304 4000  
● The Marriage of Figaro: by Mozart. Conducted by Bernard Haitink/David Syrus and directed by Patrick Young. Soloists include Felicity Lott/Cheryl Studer, Andrea Ross/Barbara Bonney and Robin Leggate/Ryland Davies; 7pm; Oct 18, 19  
● Tosca: by Puccini. Conducted by Simone Young and directed by Jeremy Sidel. Soloists include Galina Gorchakova, Johan Bohta and Francis Egerton; 7.30pm; Oct 17, 20

THEATRE

Donmar Warehouse Tel: (0171) 369 1732  
● The Glass Menagerie: by Tennessee Williams, directed by Sam Mendes. Cast includes Zoe Wanamaker and Claire Skinner; 8pm; to Nov 5

LOS ANGELES

**GALLERIES**  
County Museum Tel: (213) 857 6000  
● Adrian, the Couture Years (1942-1952): premiere of a permanent collection featuring approximately 40 pieces by the costume designer Gilbert Adrian. This exhibition focuses on his post-Hollywood period of couture fashion; to Jan 7  
● Frank Lloyd Wright and Japan: Japanese folding screens, textiles, sculpture, ceramics and prints collected by the architect; to Jan 7  
Museum of Contemporary Art Tel: (213) 626 6222  
● 1965-1975: Reconsidering the Object of Art: exploration into the development of contemporary art between 1965-75 and how the artistic community began to re-examine form, function and meaning; to Oct 15 to Feb 4  
● Cycles, Strategies, Dialogues: works created during the 1980's from the museum's permanent collection that survey the decade of aesthetic investigation; to Nov 12

MADRID

**GALLERIES**  
Fundación Arte y Tecnología Tel: (041) 522 6645  
● Incorporo: Installation by Daniel Canogar; to Oct 29  
Prado Tel: (91) 420 29 36  
● Francisco Bayeu (1734-1795): 72 sketches by the 18th century artist who was responsible for many of the frescoes in the Royal Palace of Madrid; to Oct 29  
Reina Sofia Tel: (91) 468 30 02  
● Benjamin Peñalca (1919-1936): complete works by the Spanish artist. Highlights include the unknown aspects from the 1920's and 30's; to Jan 1  
● Frank Stella: retrospective presenting 30 years of artistic activity by the abstract artist; to Jan 9

MANNHEIM

**GALLERIES**  
Kunststhal  
● William Turner in Germany: exhibition with watercolours, drawings, graphics and oil paintings by Turner from his visits to Germany between 1817-1844; to Jan 14

NEW YORK

**CONCERTS**  
Alice Tully Hall Tel: (212) 875 5050  
● Lincoln Center Jazz Orchestra: Wynton Marsalis conducts a programme that includes Ellington, Monk and Mingus; 8pm; Oct 16  
Carnegie Hall Tel: (212) 247 7800  
● The Met Orchestra: with bass baritone Bryn Terfel. James Levine conducts Mahler's 'Kindertotenlieder' and 'Symphony No.6'; 3pm; Oct 15

GALLERIES

Ellis Island Museum Tel: (212) 383 3200  
● Ellis Island Collection: as a point of arrival for the many settlers in the US, this exhibition consists of photographs, clothes and other articles that have been collected over the centuries; to Jan 8  
Guggenheim Tel: (212) 423 3500  
● Claes Oldenburg: an anthology of works by one of the key figures of Pop art in the 1960's. This exhibition includes a new piece entitled 'Shuttlecock'; to Jan 14  
Guggenheim Soho Tel: (212) 423 3500  
● Dieter Appelt: retrospective with more than 60 paintings and sculptures; to Nov 5  
Metropolitan  
● An Ancient Egyptian Bestiary: animals in Egyptian art from the Predynastic to Roman period; to Oct 15  
● Goya: more than 350 paintings, drawings and prints in chronological

order by the Spanish master Francisco de Goya y Lucientes; to Dec 31  
● John Singleton Copley in America: portraitist of choice for affluent Bostonians and New Yorkers in the 18th century before leaving for England. Included are portraits of Samuel Adams, John Hancock and Paul Revere; to Jan 7  
● Rembrandt/Not Rembrandt: 22 Rembrandt fakes are compared with 19 genuine articles; to Jan 7  
● Swords into Ploughshares: influence of the military on civilian dress. The exhibition consists of 100 costumes from the Costume Institute; to Nov 28  
Museum of Modern Art Tel: (212) 708 9480  
● Alfred Stieglitz at Lake George: photographs from the 1920's and 1930's whilst at his family's summer home in Lake George, New York; to Jan 2  
● Light Construction: exhibition revealing a new architecture of transparency and translucency through 34 recent projects by international architects and artists; to Jan 2  
● Piet Mondrian: exhibition of 147 works on the 50th anniversary of the artist's death; to Jan 23  
Whitney Museum  
● Edward Hopper: impact on American art by the artist through 65 works; to Oct 15  
● Florence Stettin: paintings and theatre sets from 1920's New York; to Dec 5

**THEATRE**  
Atlantic Tel: (212) 645 1242  
● Dangerous Corner: by J.B. Priestley. Directed by David Mamet; 8pm;  
Cort Theatre Tel: (212) 239 6200  
● The Heiress: by Henry James, stage adaptation by Ruth and Augustus Goetz and directed by Gerald Gutierrez. Cast includes Cherry Jones, Renak Ramsey, Frances Sternhagen and Michael Campsty; 8pm; (Not Mon)

PARIS

**CONCERTS**  
Champs Elysées Tel: (1) 49 52 50 50  
● José van Dam: bass baritone accompanied by pianist Maciej Pikulski; plays Schubert's 'Le Voyage d'Hiver'; 8.30pm; Oct 14  
● National Orchestra of France: with bass baritone José van Dam. Serge Baudo conducts Berlioz, Debussy, Massenet and Wagner; 8.30pm; Oct 17  
● National Orchestra of France: with pianist Andreas Haefliger. Claus-Peter Flor conducts Mozart and Bruckner; 8pm; Oct 21

**GALLERIES**  
Centre Georges Pompidou Tel: (1) 42 77 12 33  
● Feminine and Masculine: the sexuality of art. Exhibition exploring sexual identity and its effect on twentieth century artists; from Oct 19 to Jan 8  
● Man Ray: recreation of the atmosphere of Ray's post world war two workshop where he produced various furniture. This exhibition consists of paintings, drawings and photographs from the workshop archives; to Jan 29  
● Robert Morris: retrospective of the American Minimalist; to Oct 23  
● Rubber and Pigments: demonstration of techniques used in photography at the beginning of the 20th century that have reappeared in more recent times; to Nov 27  
Centre National de la Photographie Tel: (1) 53 76 12 31  
● Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30  
Galerie Schmit Tel: (1) 42 60 36 36  
● 'La Femme': from Corot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 29  
Hôtel de Ville de Paris Tel: (1) 42 76 44 24  
● Paris Through Cinema: historic relationship between Paris and the cinema over the last 100 years; to Nov 4  
Jeu de Paume Tel: (1) 47 03 12 50  
● Jeff Wall: photographs by the Canadian artist; to Nov 28  
Louvre Tel: (1) 42 80 39 28  
● Ancient Gem Stones from the Orient: from 4000 B.C to 800 A.D.; to Dec 19  
Musée d'Art Moderne, Ville de Paris Tel: (1) 47 23 91 27  
● Arnold Schoenberg: exhibition on the composer with a related concert at the Châtelet on Nov 7th; to Dec 3  
● Beauty and the Beast: a selection of young American artists; to Nov 19

STOCKHOLM

**GALLERIES**  
Pro Persona Tel: (08) 20 44 27  
● Kjell Engman: contemporary sculptures in glass and metal; from Oct 14 to Nov 11

**THEATRE**  
Arana Stage Tel: (02) 488 3300  
● Holiday Heart: by Cheryl L. West. A play about hope and redefining the family; to Nov 19  
● The Plough and the Stars: by Sean O'Casey. Tragicomic of urban warfare during the Easter Rebellion against the British. Directed by Kyle Donnelly; to Oct 15  
Ford's Theatre Tel: (02) 347 4633  
● Elmer Gantry: Michael Magglo directs this revival of the Pulitzer Prize winning novel by Sinclair Lewis with libretto by John Bishop and music by Mel Marvin; 7.30pm; to Oct 29  
Kennedy Centre Tel: (02) 467 4600  
● Master Class: by Tennessee McNally. Zoe Caldwell stars as Maria Callas, reliving her triumphs and tragedies as she coaches a trio of young singers; to Oct 22  
Shakespeare Tel: (02) 393 2700  
● Macbeth: by William Shakespeare, directed by Joe Dowling. Cast includes Stacy Keach; 7.30pm; to Oct 21

**OPERA/BALLET**  
Kennedy Centre Tel: (02) 467 4600  
● Suzanne Farrell Staged Balanchine: an evening of George Balanchine choreographed pieces performed by the Washington Ballet. The programme includes 'Chaconne', 'Slaughter on 10th Avenue' and 'Tzigana'; 8pm; Oct 17, 19, 20, 21, 22 (2pm)

TUBINGEN

**GALLERIES**  
Kunststhal  
● Egon Schiele: 152 pieces presented and organised by Dr Rudolf Leopold from the Leopold Vienna Collection. This retrospective will also be shown in Düsseldorf and Hamburg; to Dec 10

VIENNA

**CONCERTS**  
Gesellschaft der Musikfreunde Tel: (1) 505 13 63  
● Recital Evening: with baritone Andreas Schmidt and pianist Rudolf Jansen; 7.30pm; Oct 14  
● Viennese Symphony Orchestra:

Rafael Frühbeck de Burgos conducts Wagner, Brahms and Beethoven; 7.30pm; Oct 21, 22

GALLERIES

Architektur Zentrum Wien Tel: (1) 522 31 15  
● Architecture and City: part of the '80 Days' Architecture Festival. This festival presents a broad range of discussions, concepts and projects in the field of urban architecture; to Nov 12  
Sigmund Freud Museum Tel: (1) 319 15 96  
● International Psychoanalytical Press: installation that reconstructs the history of psychoanalysis through the history of its books and journals and particularly through the IPP founded by Sigmund Freud and his closest colleagues; to Nov 15

OPERA/BALLET

Wiener Kammeroper Tel: (1) 512 01 00  
● The Turn of the Screw: by Britten. Conducted by Edgar Seltenbusch/Jean Girard. Soloists include Mark Duffin, Olga Scheraga and Felix Puzos/Ringo Petersen; 7.30pm; Oct 21, 23

WASHINGTON

**CONCERTS**  
Kennedy Centre Tel: (202) 467 4600  
● BBC Symphony Orchestra: with violinist Nadja Salerno-Sonnenberg. Andrew Davis conducts Darius, Glasunov, Carter and Bartók; 2pm; Oct 22  
● Korean Chamber Ensemble: with violinist Young Uck Kim and director Min Kim plays Arnsky, Palk, Mozart and Britten; 5pm; Oct 21  
● National Symphony Orchestra: with pianist Horacio Gutierrez. Raymond Leppard conducts Brahms' 'Tragic Overture' and 'Piano Concerto No.1' and Schubert's 'Symphony No.4'; 7.30pm; Oct 14  
● National Symphony Orchestra: with pianist James Tocco. George Manahan conducts Debussy's 'Iberia', Stravinsky's 'Concerto for Piano and Wind Instruments' and Rachmaninoff's 'Symphonic Dances'; 8.30pm; Oct 19, 20, 21, 24  
● Sir Roland Hanna: jazz pianist; 7.30pm; Oct 20  
● Tenebra Wilson: plays Prokofiev, Stravinsky, Thomas and Rachmaninov; 7.30pm; Oct 19  
● Washington Chamber Symphony: Stephen Simon conducts Vivaldi, Argento and Haydn; 7.30pm; Oct 14

GALLERIES

Hirschhorn Museum Tel: (202) 357 2700  
● Directions-Martin Kippenberger: works on paper. Approximately 50 satirical drawings on hotel stationery by the German artist along with some of his collages and drawings on paper; to Oct 22  
National Gallery Tel: (202) 737 4215  
● A Great Heritage: Renaissance and Baroque drawings from Chatsworth consisting of 105 works by artists such as Rembrandt, van Dyck and Raphael; to Dec 31  
National Museum of Women in the Arts Tel: (202) 783 5000  
● Artful Advocacy: cartoons from the Women Suffrage Movement. In celebration of the 75th anniversary of this movement, approximately 25 cartoons produced between 1912 and 1919 are featured. Artists include Nina Allender, Blanche Ames and Lou Rogers; to Jan 7  
● Julia Margaret Cameron: the Mias album. 19th century photographs including portraits of Alfred Lord Tennyson and Sir John Herschel; to Oct 29  
National Portrait  
● Cecilia Beaux and the Art of Portraiture: turn of the century portrait painter; to Jan 28  
Sackler Tel: (202) 357 2700  
● Goyo: Japanese prints. 18 colour wood-blocks prints by Hashiguchi Goyo; to Mar 17  
Textile Museum  
● Mysterious Voids at the Heart of Historic Textiles: A Search For Meaning. Textiles are viewed as objects that create space. This exhibition consists of 23 rugs and textiles from Peru, Turkey, Guatemala, China, Africa and India; to Jan 17

**OPERA/BALLET**  
Kennedy Centre Tel: (202) 467 4600  
● Suzanne Farrell Staged Balanchine: an evening of George Balanchine choreographed pieces performed by the Washington Ballet. The programme includes 'Chaconne', 'Slaughter on 10th Avenue' and 'Tzigana'; 8pm; Oct 17, 19, 20, 21, 22 (2pm)

THEATRE

Arana Stage Tel: (02) 488 3300  
● Holiday Heart: by Cheryl L. West. A play about hope and redefining the family; to Nov 19  
● The Plough and the Stars: by Sean O'Casey. Tragicomic of urban warfare during the Easter Rebellion against the British. Directed by Kyle Donnelly; to Oct 15  
Ford's Theatre Tel: (02) 347 4633  
● Elmer Gantry: Michael Magglo directs this revival of the Pulitzer Prize winning novel by Sinclair Lewis with libretto by John Bishop and music by Mel Marvin; 7.30pm; to Oct 29  
Kennedy Centre Tel: (02) 467 4600  
● Master Class: by Tennessee McNally. Zoe Caldwell stars as Maria Callas, reliving her triumphs and tragedies as she coaches a trio of young singers; to Oct 22  
Shakespeare Tel: (02) 393 2700  
● Macbeth: by William Shakespeare, directed by Joe Dowling. Cast includes Stacy Keach; 7.30pm; to Oct 21  
Studio Theater Tel: (202) 332 3300  
● Slaves: Thinking About the Long Standing Problems of Virtue and Happiness. By Tony Kushner and directed by Dan DeRaffa. A surrealistic montage of post-Soviet culture; 8pm; to Oct 15

CHESS

Garry Kasparov duly retained his title at the Intel World Championship in New York this week when he defeated his Indian challenger Vishy Anand 10½-7½ in their best-of-20 series. In 10 years as champion he has beaten Anatoly Karpov (three) and Nigel Short, and now awaits the winner of the Karpov v Kamsky Fide title match whom he meets next year to reunify the rival Fide and PCA world bodies.

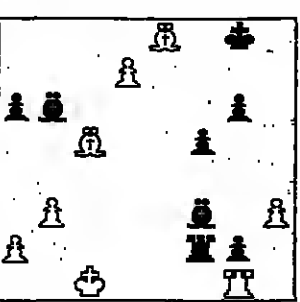
Whatever the system, Kasparov can look forward to many years as No.1. He is 32, in the prime of his creative and physical energy in a game where several previous champions have stayed at the top in their 40s and 50s. His eventual defeat should be either by computers - which, powered by Intel's Pentium microchip, have beaten him in speed chess - or by a much younger opponent such as the Hungarian 16-year-old Peter Leko, the youngest ever grandmaster.

Anand, like many previous Kasparov opponents, fell victim in the decisive mid-match games to the Russian's charisma and aggressive body language. Game 13, published here last week, was Anand's nadir, the quickest loss with white in a title match since 1882.

Although his greatness as a player is universally recognised, many of his fellow

grandmasters colleagues would like to see Kasparov lose. He is viewed as arrogant, imperial, with a wish to dominate organisations which can affect the professional livelihoods of his colleagues. But Kasparov has a vision for chess.

His next ambition? To persuade AT&T, IBM or Intel to back the 1996 150-nation chess olympiad in Atlanta, alongside the Olympic Games.



attacked. As Black (to move) can you find a clear-cut plan? Solutions to this week's and last week's puzzles are on Page XIII.

Leonard Barden

BRIDGE

Here, from teams, we study Eyes Left:

N  
♠ 6 5 5  
♥ K 10 7 3  
♦ A 10 4  
♣ K J 3  
W  
♠ A K Q J 9  
♥ Q 8 4  
♦ Q J 9  
♣ 9 8  
E  
♠ 10 4 3  
♥ -  
♦ 8 6 5 3 2  
♣ Q 10 5 4 2

With both sides vulnerable, South dealt and bid one heart. West came in with one spade, North raised to three hearts, and South's four hearts closed the auction.

West opened with spade ace and followed with king and queen. Ruffing in hand, declarer led a heart to the king and East showed out. With a heart loser, South was forced to finesse the club knave, los-

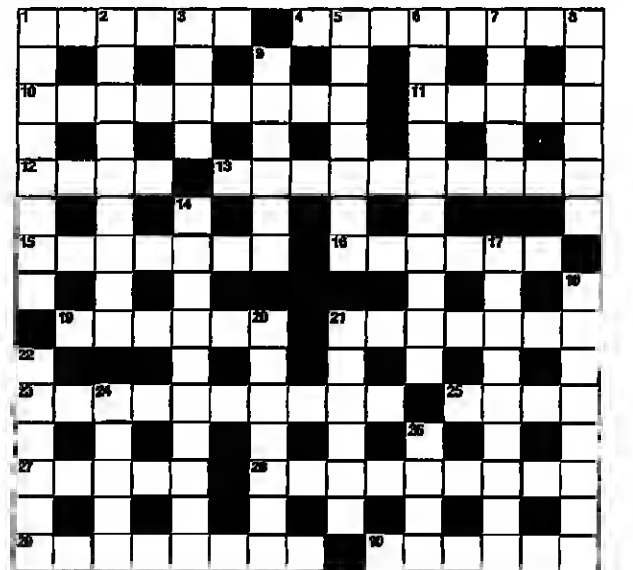
ing to the queen - one down. In the other room after identical bidding, South ruffed the third spade, cashed the heart ace, finessed dummy's 10 and drew West's queen. Home. Was he lucky? No, he saw where the danger lay. He could afford to lose a heart to East, because East could not end-play. Suppose East has the three trumps. After cashing ace, king of hearts, declarer can eliminate diamonds and then throw in East with a heart to the queen. He must return a club into dummy's tenace or concede the ruff discard by leading a diamond. Good thinking by declarer. The 1996 Daily Bridge Calendar is available from CLD Stationery, 7 Imperial Station, Imperial Road, London SW6 2AG, £14.95 (p&p included). Each day has a problem by one of seven bridge champions. Don't miss it.

E.P.C. Cotter

CROSSWORD

No. 8,892 Set by CINEPHILE

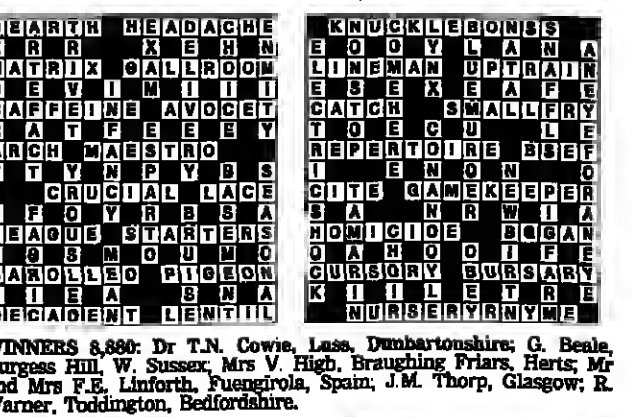
A prize of a classic Pelikan Sovereign 800 fountain pen for the first correct solution opened and five runner-up prizes of £26 Pelikan vouchers. Solutions by Wednesday October 26, marked on the envelope, to the Financial Times, 1 Southwark Bridge, London SE1 9HL. Solution on Saturday October 28.



Name: \_\_\_\_\_ Address: \_\_\_\_\_

**ACROSS**  
1 Mother's from over the border, which is lucky (6)  
4 It's a crime that relations' around at home, being originally gauche... (8)  
10 ...not the quality to exert tidy work (9)  
11 The female line is weak (5)  
12 See 5  
13 Go-ahead for environmentalist with little weight (5,5)  
15 Take pains to get a little time and money (7)  
16 Seek food that will last a long time? (6)  
19 Recover from uncle? Think again (6)  
21 Religious reformer left on a watch? (7)  
23 Make poor devil complete his turn (10)  
25 28 Dog eating headgear, converse of TV (4,4)  
27 Devil brooded on article (5)  
28 Pole reluctant to tolerate ancestor (5,4)  
29 Rider from which metaphors emanate (6)  
30 Journalist in the news returning to the country (6)  
Solution 8,891

**DOWN**  
1 Reasonable way to speed? (6)  
2 Instrument from shop with no 4's (6)  
3 12 Reprove one, possibly, for having gone too far (8)  
5 Piece of evergreen, most of the top American universities' forte (8,4)  
6 Continue to get into tin a trifle damaged (10)  
7 Nasal quality of a guitar string? (6)  
8 Tell how to connect? (6)  
9 Make a hole a fraction outside the road (6)  
14 Commemoration formerly embracing wounded braves (10)  
17 Mouthpiece for eucalyptus trees kept around one (5)  
18 Religious group with gun, about three short (6)  
20 Cherry tree would paint eyelashes with painter out (10)  
21 It's good capital (6)  
22 Decks out church with vulgar bits of art (6)  
24 Safe to run out? (5)  
26 See 25  
Solution 8,890



WINNERS 8,890: Dr T.N. Cowie, Lass, Dumbartonshire; G. Beale, Burgess Hill, W. Sussex; Mrs V. High, Braughing Friars, Herts; Mr and Mrs F.E. Linforth, Fuenigro, Spain; J.M. Thorp, Glasgow; R. Warner, Tuddington, Bedfordshire.





James Morgan

## The privilege of being Italian

Debt does not need to become a burden – as one country in Europe is able to demonstrate

It is not often that one reads something deeply depressing in these pages. But last week Joe Rogaly wrote, "A Forza Italia – Berlusconi – representative... thought that Italy would never be able to reduce the ratio of its debt to its gross domestic product to the Maastricht 60 per cent. The figure is currently more than twice that."

Italy's new elite, it seemed, had lost the capacity to overturn the tedious tenets of conventional wisdom. What had happened to the country which had abandoned the notion that retirement pensions were for the relatively old and offered them, instead, to people of 35? And provided another one at the age of 50 should the retiree continue to work? This was the

nation that had resisted the notion that the recipients should lose such pensions merely because they happened to be dead. It had fought the idea that those receiving unemployment pay should not work. Here was a country which had overtaken Britain in the prosperity stakes by increasing government spending and including illicit economic activity in the national accounts. That this inventiveness should concede victory to the dreary calculations of Brussels accountants seemed to be a defeat for the human spirit.

At the time this confession of failure appeared, I was attending a World Bank seminar in Washington on the future of portfolio flows to emerging markets in the wake of the Mexican disaster. The news

from Italy cast, for me, a drab cloud over the festive proceedings.

But it is always darlings just before the dawn. The Italians had not lost their gifts. Someone, somewhere would stop thinking in conventional terms and seize on this apparent crisis as an opportunity. The key to the solution turned out to be simple. Everyone who has dismissed the problems of the Maastricht debt criteria has always thought in terms of reducing the debt. But a solution is achieved by thinking in reverse.

That afternoon in Washington an Italian colleague handed me a copy of the latest edition of the *Corriere della Sera*. A front-page report from a bankers' meeting quoted a proposal put forward by Piero Bassetti, president of the

Milan Chamber of Commerce. Bassetti had noted that the debt ratio could be reduced not only by cutting the debt but also by raising production. The naive may think that meant that if Italy grew by 20 per cent a year for three years or so it would be more or less in a position to meet the demanding Maastricht criteria so long as the debt remained the same. But clearly that would be impossible.

His insight was different. Bassetti said that success could be achieved by "modifying the denominator of the fraction". In other words, all that was necessary was to recalculate the present level of Italian gross domestic product. Bassetti pointed out that this had been done before – at the time Italy achieved its *sorpasso*, the

overtaking of Britain by such a revision, and it could be done again.

So if Italy were twice as rich as it is believed to be today, she would "achieve Europe" as they say. It was a pity that the *Corriere* was sceptical about the idea. "Italian fantasy can be applied to macroeconomics," it wrote, but added that Mario Monti, the Italian Euro-commissioner who had attended the same meeting, had not excluded the idea.

Few would want to contest the new revised figures. They would mean that the country was the richest in the world, but why not? We already know that Italy is in many ways the richest country in the world. Which other nation so drowns in priceless relics? Which

has inspired poets and painters to the same degree? There is a current fashion to rework national income figures in any way that statisticians see fit.

Calculations about such matters are entirely arbitrary. Italy offers its citizens the unique privilege of being Italian. That is worth a lot of money, the possession of an agreeable citizenship can always be translated into many thousands of dollars in annual income. What would you pay to live nine months of the year in Piesole and three by Lake Como? Compare that with a house in Frankfurt and a holiday cottage in Lower Saxony. How much would an Italian sacrifice for that?

James Morgan is economics correspondent of the BBC World service.

## Peter Aspdon Home is where the heart is



It is all too easy to become nostalgic about the death of Lord Home, the "last gentleman" of British politics, the aristocrat with the easy charm and pleasantly bumbling approach to the things – economic models, media image, spin doctors – we hold in higher regard today.

But Home was no fool. When he famously confessed to working out his sums with matchsticks, he was employing that smooth, self-deprecating, ironic tone which is such a formidable weapon of the upper classes when talking to an audience. It constitutes a friendly pat on the head – don't you worry about me, I'm harmless – which effectively disguises true intention.

Home's intentions were not much different from those of any politician, within a year of making that disingenuous statement, he was prime minister. But the tides were already turning.

By coincidence, in the very week that the "magic circle" of Tory grandees solemnly mulled over the Macmillan succession in October 1963, four upwardly-mobile lads from Liverpool were busy recording their next chart-topper.

"I Want to Hold Your Hand" was all breathless exhilaration, almost out of control, a warning to 1960s Britain that social mores were about to be blown apart and to the gentlemanly Home that the fey politics of pass-the-cumbersome

## The Britain of orderly queues and corner shops has all but vanished, say critics

sandwiches were not cutting it any more.

But the grandees weren't hip to the groove. They plumped for the well-mannered patrician who managed the unlikely task of making Harold Wilson, then leader of the Labour Party, look like a radical agent of profound social change.

One more year later, and Home was dumped by an electorate tired of being patronised. He took his defeat gracefully, and has spent most of his time since in benign elder-statesman mode, watching in awe as a very different brand of Conservative politics unravelled before him.

But the feeling remains that Home's manner, courteous and humble, was a powerful symbol of all that was good in Britain, and that it is much missed today. The Britain of orderly queues, corner shops, red telephone boxes and green sports cars has all but vanished, say critics, to be replaced by a sordid and selfish materialism.

One group which has decided to do something about this perceived change of national temperament is the surreally-named Polite Society. The group, run by a congregational minister in Newcastle-under-Lyme, is concerned about the aggressive tone of modern Britain, and last week declared a National Day of Courtesy for the country's road users.

Now I happen to think that most drivers in Britain are pretty considerate. They wave you through gaps in traffic, raise their hands in gratitude, and even stop occasionally to allow you out of a tricky side road by flashing their full-beam headlights (beware, however, if the car bears Italian number plates, for this signal means "Please get out of my way").

The beauty of these signs and codes is that they have evolved spontaneously, without any direction from the powers above.

They are part of a sub-culture of everyday behaviour which is profoundly ethical, and often puzzles those who live outside the UK: like the maddening incantations of "pleases" and "thank-yous" which accompany the most banal of transactions; the refusal to take the last Chocolate Oliver from the table; the kneejerk "sorry" which accompanies every brush of accidental physical contact.

We do not need a Polite Society. Of course moral attitudes have changed, of course modern life is busier, more stressful, less homogeneous than it was in Home's day. But today's politeness, is just different.

I once walked behind a swaggering young West Indian man who, I guessed from his dress and demeanour, was on his way to a wedding. Suddenly, and without realising, he dropped a packet containing all his buttonholes. I picked it up and ran after him to return his valuable package.

He fixed me with a stare, looked me up and down and declared: "You've saved my \*\*\*ing life." And he walked on. No pleases, no thank-yous, and an obscenity to boot. But it was the most heartfelt response I had heard for a long time, and it sounded pretty polite to me.

What do you think of making people wear ties for dinner, asked the Duchess. I had just settled down in an old armchair after a four-hour drive from London. Two dogs lay among the papers scattered on the floor by the big fire place: the room was lit by plastic lamps in the shape of owls and ducks. Before I could answer, Her Grace continued: "I think it is stupid but people seem to want it."

One man who stayed at her hotel, the Devonshire Arms in a breath-takingly beautiful spot in the Yorkshire Dales next to the ruins of Bolton Abbey, came down to dinner without a tie and was rebuked by the head waiter. He asked whether he would turn away the Pope, too. "Yes," came the reply. "I would send him up to the abbey."

The Duchess of Devonshire told this story to illustrate the difficulties of running what she calls a "higgledy-piggledy" empire which includes museums, hotels, commercial forests, farms, shops and restaurants. From the windows of her large ramshackle office in the family seat of Chatsworth House, part home part museum set in a glorious valley in Derbyshire's Peak District, great flocks of sheep could be seen grazing in the park. "We sold 6,000 at a sale this weekend," the Duchess said.

On the floor were proofs of a book of correspondence between her literary sister Nancy Mitford and the writer Evelyn Waugh. "It's coming out next year and is much more fun than the Evelyn Waugh Diaries because you get the sharp repartee between the two in their letters." Debo, as her friends call her, struggled with a piece of sticky tape stuck to her shoe.

A handsome 76-year-old, she was dressed in comfortable country clothes – a woollen skirt and pull-over, very much the understated *grande dame*. "You are such a good sport to come all this way to see me," she said; and in the same breath: "I like these plastic duck and owl lights. It's something different. In the rest of the house you get the real thing."

At Chatsworth "the real thing" means one of the finest private collections of paintings, furniture, porcelain and books in England. Even after two large sales of Old Master drawings, the house is stuffed with Tintoretto, Poussin, Reynolds, English moderns. The Duchess described it as "a mongrel, a bugger-monger, a jumble".

For all her aristocratic chat, the Duchess of Devonshire is no fool. She has discreetly and successfully commercialised the family's far-flung assets. "Chatsworth has become a business in a sense with its new offshoots like the shops as well as the traditional woods and farms," she said. "To survive and prosper in the family, it had to."

When the 10th Duke suddenly died in 1950 at 55 while chopping wood, his favourite occupation, her husband Andrew, the present Duke, inherited "a monstrous problem" – 80 per cent debt duties on everything, "not just stocks and shares". The government took nine of the best works of art including Rembrandt's "Philosopher", Rubens' "Holy Family", Holbein's "Henry VIII and Henry VIII, and Van Dyck's Italian sketchbook. "We sold a great deal of land, Hardwick Hall was given to the National Trust; and then we were advised we should live here. It was so clever and here we are. Someone had to look after the house," said the



The Duchess of Devonshire: her talent has been to capture a quintessentially aristocratic and eccentric English atmosphere

Interview / Paul Betts

## Duchess of higgledy-piggledy

Duchess.

Self-taught ("I never went to school and I've never taken a course in anything") the Duchess took over the task of turning Chatsworth into a home and later redecorating the hotel at Bolton Abbey. When she was 20, her idea of interior design was to paint everything pink. That is no longer the case.

Her talent has been the ability to capture a quintessentially aristocratic and eccentric English atmosphere in redecorating the house and the hotel. That talent has extended to her shops selling "Duke's Favourite Sausages", home-made jams and English wines. To a comment on her retail savvy, she replied: "I'd love to be a Marks and Spencer tycoon."

She puts it all down to woman's intuition. "It's slapdash and it's luck if it comes off," she said, explaining that she inherited her talents from her mother, Lady Redesdale. "She was brilliant. She never had any money, did things very cheaply and very prettily. My sisters also inherited this gift. Diana Mosley could have been a decorator, so could Nancy."

The Duchess took over the task of redecorating the houses – Chatsworth, a small hotel on the Chatsworth estate called the Cavendish and the Devonshire Arms on the family's 30,000-acre Yorkshire estate – because "we couldn't afford anybody else". So she hunted wholesale stores in Oxford Street to buy the

cheapest possible fabrics, but when she disclosed her name they told her they could not supply her because she was not trained. After some insisting, they finally did.

She scoured the Yellow Pages to find a curtain maker. "Three ladies came. I chose one and she did all the curtains for the Devonshire Arms. She and her husband still work for us: she's become an expert in curtain restoration and he is a wonderful French polisher."

People who come to work for the Duchess stay. "She is a very professional businesswoman," said Martin Harris, a hotelier with experience of London's Savoy and Connaught, recruited to turn around the then loss-making Devonshire Arms.

"I never stayed in a job for more than three years but I've now been here for eight," he said. Jean Pierre Beraud was hired for three months as the family chef: 16 years later the Frenchman is still at Chatsworth running the new self-service restaurant in the converted stables which serves 20,000 to 30,000 meals a month to the constant flow of visitors. It was Beraud who helped save the estate's farm shop.

"It was going bust and we were told we would have to shut it down if we could not turn it around," said the Duchess. Beraud expanded the shop and built a bakery. It attracts locals and tourists alike. The separate gift shop, which used to sell only postcards and guide books, now turns over £1m a year selling

everything from china to bath essence.

Beraud was also sent to Yorkshire to sort out the kitchen at the Devonshire Arms. "When I arrived there were literally no pots and pans, no decent cooker. I had to go out and buy everything and send the bill to the Duchess," he said.

The Frenchman seems to be part of the family. "Last weekend he took us out to pick fungi and all

**'The lace on the armchairs is awful. It's like a boarding house in Hastings'**

those things Nanny told us not to touch," said the Duchess. "We are blessed with the best staff. It's luck. It's like falling in love," she said, still struggling with the Sellotape at the tip of her shoe.

But it would not work without the celebration of Englishness she creates everywhere. No more so than at the Devonshire Arms.

There are Wellington boots lining the entrance for the use of guests. There is a cricket pitch and a pub. Much of the furniture and paintings comes from Chatsworth. The rooms have been decorated to make the

guests feel they are in an English country home.

There is an equestrian room called Park Top, the Duke's most successful racehorse winner of many big races between 1967 and 1970, with portraits of Lester Piggott, the jockey's original silks in the bathroom, his riding boots outside the door, books and magazines in the dressing room and by the four poster bed which was made by the Chatsworth carpentry shop which also makes garden furniture. Another room called Morden is full of portraits of the Duchess and her four older sisters.

However, nothing quite matches. "I agree," said the Duchess, "the lace on the back of the armchairs is awful. It's like a boarding house in Hastings." She is now thinking of replacing the antimacassars. Her sister Nancy would have approved. For it was she who condemned such examples of low taste as the antimacassar in her malicious essay on the differences between "U" (for upper class) and "non-U" in English society.

Compromises with *bourgeois* taste are inevitable in business. The hotel recently opened a £1m health centre complete with swimming pool, gymnasium and therapy room at the insistence of the marketing experts.

"My son [the Marquess of Hartington] who heads the hotel company and Martin, the managing director, were very keen. But I am too old to appreciate these things.

One day I saw someone walking on one of the machines in the gym. What is the world coming to, I asked myself, when you can go outside on the most wonderful walks all around here," she said.

She conducts her own market research. After board meetings of the hotel company, she has a habit of wandering around the lounges of the Devonshire Arms introducing herself to guests simply as a director and asking them what they think. She also discovered that only 2 per cent of guests use the facilities of the new health centre.

The Duchess betrays the same simple pleasures of the aristocratic when it comes to food. The hotel has a gourmet restaurant named after the duke's architect ancestor, Lord Burlington, a disciple of Palladio who was responsible for Chiswick House and the Burlington Arcade in Piccadilly. "Hotel food to me is a problem. I'm too old to change my idea of very simple food on one plate. But people like enormous plates and dishes with exotic names such as angry lobster."

And with the faintest of sighs, the hotelier Duchess added: "It's what the public wants."

**The Devonshire Arms Country House Hotel, Bolton Abbey, North Yorkshire BD23 6AJ, 01756-710411. Chatsworth House, Bakewell, Derbyshire DE45 1UF. Tel: 01246-532204. The house is open to the public every day until October 30 1995 and then reopens on March 20 1996.**

Dispatches / Michael Holman

## Out of fashion, out of Africa

Kenya, and on a clear day you can see snow on its peak. When it rains, I smell the earth, tangy, acrid and smoky, and if I stand downwind I can smell the rain coming.

It is a hotel where you wake to the clink of thick crockery rattling on the trays carrying early morning tea, with the sugar in bowls and not in sealed paper packets, and a jug of hot water comes with a pot of strong tea.

You know that if you doze off, there is no danger of missing breakfast (served between 7am and 8.30am, except on Sundays, when it is from 7.30am to 9am), for you will wake again when the verandahs

get their daily red-wax polish.

The dining room floor creaks, wooden beams cross the ceiling, and the food is British colonial. The menu for each table is typed on the receptionist's Remington, which also taps out the bill at the end of your stay.

A faded map in the lobby shows the walks you can take, but I have never gone beyond the garden, acres of lawn and shrubs and flower beds, with benches beneath trees. I always mean to take the river walk, but I haven't got round to it, just as I have yet to play the adjoining golf course. Nor for that matter have I used the squash court, just across from my room. I

have never seen anyone on it, but it is nice to know that it is there, if you want it.

The breakfast menu has "Good Morning" without an exclamation mark, and there is no sign saying "Please wait to be shown to your table".

The waiters are not servants but retainers, in how tie and black jackets and starched white shirts, and expect you to be at your table between 7.30pm and 8pm. They want to serve you coffee by 9.30pm because they like to leave for the village by 10pm.

The ceilings in my room are high, and gekkoes come out in the evening. I lie beneath a mosquito net,

and watch the flames from the fireplace flicker on the ceiling, and when I awake the embers still glow. I do not know if the radio in the old wooden cabinet by my bed works, because I have never thought to turn it on.

The bathroom is as big as some modern hotel bedrooms, and has a deep, enamelled tub, and an Armistage and Shanks lavatory, substantial and solid on its porcelain plinth. I distrust those bowls that project from the wall, with no visible means of support.

At night the sky is clear and the stars lie low, and the sounds of the village drift up from the valley, where the cooking fires flicker, and

my cigar smoke hangs in the air. If you are patient, and wait around the hotel watering hole you may spot an Old Buffer coming for his evening drink. The barman, as old as he is, places it in front of him without being asked, and watches out of the corner of his eye as the *mzungu* (white man) leaves, unsteady on his pins.

I sit by the pool, and am the last to leave. I watch the steward lock the changing room and close the bar and fold the chairs. And after he has poured chlorine from a sawn-off plastic bottle into the deep end of the pool, he picks up his newspaper and bids me good night.

No key-cards here, just morrice locks and long-shanked keys, attached to blocks of wood, polished by handling over the years.

As I say, it is a hotel at the peak of its decline. No doubt someone will decide to improve it. Then I will not stay there any more, and I will tell you where it was.



### Last week's preliminary results

Company	Sector	Year	Pre-tax profit (£000)	Earnings per share (p)	Dividends (p)
Baco Hides	Food	Jun	200 (1,310)	0.7 (1.1)	-
Baco Smaller Cos Ltd	Food	Jun	200 (1,310)	0.7 (1.1)	-
Baco Smaller Cos Ltd	Food	Jun	200 (1,310)	0.7 (1.1)	-
Baco Smaller Cos Ltd	Food	Jun	200 (1,310)	0.7 (1.1)	-
Baco Smaller Cos Ltd	Food	Jun	200 (1,310)	0.7 (1.1)	-
Baco Smaller Cos Ltd	Food	Jun	200 (1,310)	0.7 (1.1)	-
Baco Smaller Cos Ltd	Food	Jun	200 (1,310)	0.7 (1.1)	-
Baco Smaller Cos Ltd	Food	Jun	200 (1,310)	0.7 (1.1)	-
Baco Smaller Cos Ltd	Food	Jun	200 (1,310)	0.7 (1.1)	-
Baco Smaller Cos Ltd	Food	Jun	200 (1,310)	0.7 (1.1)	-

### Last week's interim results

Company	Sector	Year	Pre-tax profit (£000)	Earnings per share (p)	Dividends (p)
Alexandra Workwear	Text	Aug	2,740 (2,160)	2.5 (2.3)	-
BMS	Text	Jul	2,740 (2,160)	2.5 (2.3)	-
BMS Resources	Text	Jul	2,740 (2,160)	2.5 (2.3)	-
BMS Resources	Text	Jul	2,740 (2,160)	2.5 (2.3)	-
BMS Resources	Text	Jul	2,740 (2,160)	2.5 (2.3)	-
BMS Resources	Text	Jul	2,740 (2,160)	2.5 (2.3)	-
BMS Resources	Text	Jul	2,740 (2,160)	2.5 (2.3)	-
BMS Resources	Text	Jul	2,740 (2,160)	2.5 (2.3)	-
BMS Resources	Text	Jul	2,740 (2,160)	2.5 (2.3)	-
BMS Resources	Text	Jul	2,740 (2,160)	2.5 (2.3)	-

### Results due next week

Company	Sector	Announcement date	Last year interim	Final	This year interim
Bidart-Dunlop	Text	Wednesday	1.25	1.75	1.38
DFS Furniture Co	Text	Wednesday	2.3	4.9	2.65
Barnes Smaller Cos	Text	Monday	1.5	4.25	1.5
Barnes Smaller Cos	Text	Monday	1.5	4.25	1.5
Barnes Smaller Cos	Text	Monday	1.5	4.25	1.5
Barnes Smaller Cos	Text	Monday	1.5	4.25	1.5
Barnes Smaller Cos	Text	Monday	1.5	4.25	1.5
Barnes Smaller Cos	Text	Monday	1.5	4.25	1.5
Barnes Smaller Cos	Text	Monday	1.5	4.25	1.5
Barnes Smaller Cos	Text	Monday	1.5	4.25	1.5

### Current takeover bids and mergers

Company	Value of bid (£m)	Market value (£m)	Price paid (£m)	Value of bid (£m)
Adams	110	109	92	3.70
Adams	110	109	92	3.70
Adams	110	109	92	3.70
Adams	110	109	92	3.70
Adams	110	109	92	3.70
Adams	110	109	92	3.70
Adams	110	109	92	3.70
Adams	110	109	92	3.70
Adams	110	109	92	3.70
Adams	110	109	92	3.70

### Bids

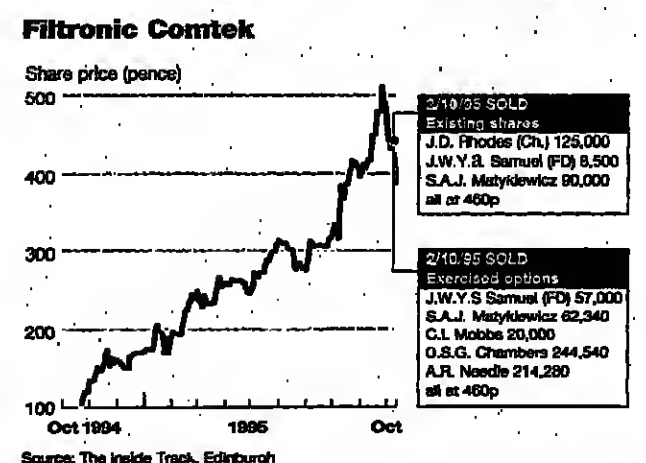
The wave of billion-pound bids reached the banking sector this week with Lloyds offering £5bn for TSB Group, writes David Wharton. The deal has an unusual structure, with an exchange of shares for those in the combined £18bn group. A holder of one TSB would get one Lloyds TSB, while each Lloyds share would get 2.7 in Lloyds TSB. In addition, TSB shareholders would receive a special dividend of 68.3p a share, paid largely from TSB's reserves at a cost of £1bn. The banks forecast a marginal dilution of earnings for Lloyds in 1996, excluding the effect of restructuring provisions. But they feel the merger should "significantly" enhance earnings thereafter because of cost savings. In other developments this week: Fisons recommended the £1.8bn bid from US drugs rival Rhône-Poulenc Rorer after an undisclosed third party pulled out of talks on a rival offer. North West Water looked poised to win the battle for regional electricity company Norweb after raising its bid by £100m to £1.8bn. This was too much for rival bidder Texas Energy Partners, which promptly withdrew and suggested North West had overpaid. But that was pointed out that it was offering a lower multiple of earnings than Hanson did for Eastern Group or National Power for Southern Electric.

### Directors' share transactions in their own companies

Company	Sector	Share	Value (£000)	No of directors
SALES				
Armagh Pte	Mth	150,000	143	1
Berkley Group	BCon	4,000	16	1
Bowthorpe	Elec	500,000	2,130	1
Bradford Prop	Prop	40,000	76	1
Burn Stewart Dist	SW&C	150,000	1,950	1
Cater Allen	OthF	3,811	19	1
Compel	SSer	150,000	246	1
Eurodis Electron	Dist	435,000	787	2
Filtronic Comtek	Elec	821,660	3,780	6
Grafton Group	BM&M	2,950	13	1
Hampden Group	RetG	500,000	350	1
Lincoln Group	Eng	350,000	1,005	2
Misys	SSer	20,000	118	1
Polypipe	BM&M	200,000	3,180	1
Provident Financial	OthF	2,098	18	1
Rathbone Bros	OthF	10,000	32	2
Real Time Control	Elec	12,500	22	1
Robert Wiseman	FdPr	900,000	1,269	2
Roper	Dm	20,600	31	1
Sears	RetG	234,000	257	1
South West Water	Watr	33,500	167	1
Telepac	Elec	25,000	183	1
Weir Group	Eng	37,000	98	1
Wickes	BM&M	131,377	169	1
W T Foods	FdPr	100,000	38	1
PURCHASES				
Bradstock Group	Inau	103,700	47	6
Brit Mohair Hides	Text	5,482	10	1
Cadbury Schweppes SS	FdPr	2,300	10	1
Courtauld	Chem	3,697	15	1
Coutts Consult	SSer	16,870	10	1
Dawson Holdings	Dist	5,750	41	3
ERA Group	RetG	500,000	2,143	1
Finlay (James)	FdPr	35,000	20	1
First Choice Hols	L&H	92,000	61	3
Five Arrows Int	Uncl	334,051	200	1
GEI Int	Eng	30,000	41	2
Hickling Pentecost	Text	32,000	62	3
INOCO	Prop	500,000	55	1
INVERSCO	OthF	25,000	51	1
McKay Secs	Prop	50,000	68	1
Morrison O'Farrell	Mdia	20,800	100	1
Scottish & Newcastle	Brew	5,000	30	1
Transatlantic	L&H	875,000	2,423	1

### Directors' dealings

Filtronic Comtek, which specialises in the technology used for mobile cellular telephones, has outperformed considerably since joining the market, writes Vivien MacDonnell of *The Inside Track*. In the largest deals noted this week, directors have been selling for the first time. But all retain fairly sizeable holdings and the consensus for the group's growth remains high. In spite of the problems faced by the travel industry, directors of First Choice Holidays have been buyers of their own stock. The share price was marked down quite aggressively and, at the lower levels, directors must feel that the problems are being somewhat over-rated. Last week, we listed selling in the engineering company, How Group. This was misleading, however, since it turned out that the deal was made by a director of a subsidiary company, not a main board member. Even following the sale, he retains 1.2m shares.



### Gift issues - best value v tax status

These redemption yields are applicable to private investors holding less than £200,000 nominal in gilt-edged stock. Your capital gain on a gilt - a UK government bond - is tax free. However, you pay tax on the interest. Therefore, gilts which deliver a higher proportion of their total return as capital gain are more tax efficient, and - other things being equal - more attractive to higher rate taxpayers.

WDR-TAXPAYERS		Stock		Price	Yield %	Volatility %
CONVENTIONAL	<5yr	Treasury 13%, 2000		120 9/16	7.73%	3.57%
	5-10yr	Treasury 9.375, 2005		108 9/16	8.19%	6.38%
	10-15yr	Treasury 8%, 2008		97 19/32	8.30%	8.21%
	>15yr	Treasury 8.75%, 2017		103 1/16	8.37%	9.76%
INDEX-LINKED		Index-Linked 2.5%, 2020		140 1/16	7.46% 3.85% <sup>2</sup>	18.85%
		Index-Linked 4.125%, 2030		115 3/16	7.45% 3.82% <sup>2</sup>	18.26%
25% TAXPAYERS						
		Stock		Price	Yield %	Volatility %
CONVENTIONAL	<5yr	Treasury 6%, 1999		94 15/16	5.99%	3.31%
	5-10yr	Treasury 6.75%, 2004		90 31/32	6.38%	6.38%
	10-15yr	Treasury 7.75%, 2006		86 21/32	6.24%	7.14%
	>15yr	Treasury 6.25%, 2016		82 7/32	6.56%	8.78%
INDEX-LINKED		Index-Linked 2%, 1996		213 1/8	7.00% 3.28% <sup>2</sup>	0.88%
		Index-Linked 2.5%, 2008		178 15/16	6.83% 3.21% <sup>2</sup>	9.18%
40% TAXPAYERS						
		Stock		Price	Yield %	Volatility %
CONVENTIONAL	<5yr	Treasury 6%, 1999		94 15/16	5.06%	3.31%
	5-10yr	Treasury 6.75%, 2004		90 31/32	5.31%	6.38%
	10-15yr	Treasury 7.75%, 2006		86 21/32	5.05%	7.14%
	>15yr	Treasury 6.25%, 2016		82 7/32	5.49%	8.78%
INDEX-LINKED		Index-Linked 2%, 1996		213 1/8	6.88% 3.07% <sup>2</sup>	0.88%
		Index-Linked 2.5%, 2008		178 15/16	6.50% 2.88% <sup>2</sup>	9.18%

Yield is redemption yield and takes account of any change in the capital value over period to maturity. Volatility is a measure of the sensitivity of the stock price to changes in yield. Money yield (current inflation assumed). % Pacl yield.

Source: BZW.

### In the Pink

## No, the times they aren't a-changing

W. Robert Hoye says history is on the side of the bulls and asks 'why should it be different this time?'

W. Robert Hoye is president of Quantum Research, a financial consultancy based in Vancouver, Canada.

There is nothing new under the sun and we know that history repeats itself, so one ought to be very sceptical each time a "new era" is hailed. Our current new financial era is generating divergent views. The consensus is that high stock market gains are deserved and the bull market will continue. Those who recall previous excesses justify the herd instinct by asserting "this time it's different". History suggests otherwise.

In *The Atlantic Monthly* of August 1929, John Moody enthused about his new era: "Nearly all the accredited seers and economic experts have been at a loss to explain it. The mistake is to assume that times have not fundamentally changed. They have changed, and we are in a new and remarkable era." That era ended when the bubble burst in October 1929.

Our new era was similarly described by a fund manager, Daniel Gressel, in the *Wall Street Journal* in June this year: "Most Wall Street forecasters... are still scrambling to come up with explanations for the dramatic rise. 'Most people don't realise there has been a change in the nature of the US business cycle'."

Historically, great stock markets and their ebullient prognosticators have been an important part of a grand pattern that, since 1700, has recurred six times. When the first South Sea Bubble collapsed, the model was set. Each one since has followed a great boom in tangible assets, within which rising inflation and social tensions moved the

political spectrum to the left. In every case, relief from rapidly increasing prices followed and politics shifted from the left back towards the middle. This rejuvenated support for abused businessmen and financial markets. Although the change began in 1920, Moody was praising it in 1928: "Labour was no longer aggressively urging socialistic legislation, [and] issues which had split the Republican Party... were either settled or

look successful. This was celebrated by Moody in 1928: "The old breeder of financial panics, the National Banking Law, has been replaced by... the Federal Reserve System... a modern scientific reserve system [designed] to stabilise financial and business conditions"; and in 1955 Gressel praised the Fed change: "Post-second world war business cycles have [had] their stops and starts coming from identifiable tight-

ness and loosening [by] the Fed".

Moody's enthusiasm for central banking contrasts with a comforting editorial in a New York newspaper at the height of the 1873 speculation: "While the Secretary of the Treasury [the US was between central banks] plays the role of the banker for the entire United States, it is difficult to conceive of any condition he cannot control. He can issue the paper representative of gold to the amount of scores of millions." Beginning in April 1873, fears about foreign bonds began to grow. Spain defaulted. The bear market lasted until 1877.

In March this year, when concerns about Mexican and South American bonds were fresh, the *Financial Times* offered similar comforts: "The classic danger is of an unchecked panic, resulting in bank collapses and sharp contraction in the money supply. Yet such a crisis can always be halted, since there is no

limit to the money a central bank can create. No problem. Long term extrapolations and reassurances with the concerns at speculative tops in 1873, 1929, and 1985 have matched up. There's more. The timing of the change from enthusiasm to dismay has been seasonally determined. The great speculations in financial assets all peaked in summer, vacillated in September, and collapsed later.

At 18-times earnings, the market in 1929 was not considered overvalued, nor is the S&P now at 17-times. However, relative to dividends, book value, GDP and money supply, the market has passed the excesses reached briefly in 1929.

In the 1920s, the big high-tech shares were in the Dow Jones Industrial Average. This time, the market is the Nasdaq Composite Index with almost 5,000 listings. From the bear market low 21 years ago in 1974, it's up 1,842 per cent. Following the crash of 1907, the market was up 619 per cent in the 21 years to 1929. From a correction trough in December 1928, the market rallied 48 per cent to a record in September 1929. This year for the same interval, the Nasdaq is up 48.5 per cent.

The reasons favoured for supposing each new era would continue have varied. In 1873, it was suggested that the treasury system was superior to central banking. In 1928 it was central banking that was superior, and in 1985 the pitch is that central banking is reformed.

History suggests that our new era, like all the old ones, is about to come to an end. Forced liquidation of suddenly unfashionable positions in every case initiated a bear market. Financial distress led to commercial distress and, far too often, sovereign default.

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5 out of 6 funds are in the top 25% of their sectors for their performance over 5 years. Positions are in 1st October 1995 and are on an offer-to-offer US Dollar basis, inclusive of reinvested income, net of withholding taxes (source: Microcap). Past performance is not necessarily a guide to future performance. The value of an investment and the income from it can go down as well as up this may partly be a result of exchange rate fluctuations and you may not get back the amount invested.

PT 14/1995



# Weekend Investor

Wall Street

## Market shudders when the chips are down

Maggie Urry on the knock-on effects of near-panic in the technology sector

Are the chips down for the technology sector? For some weeks now Wall Street has had a rumbling fear that high-tech stocks are too high. That turned to near-panic early this week, following some poor earnings news from Novell and Motorola.

It was the second sharp sell-off of technology stocks this year. The first, in mid-July, followed disappointing second quarter results from leaders such as Microsoft, Intel and Apple Computer. That led to a 5 per cent fall in the Nasdaq index, which is heavily weighted towards technology stocks, over two days. The index recovered to make new highs again.

A drop of the same percentage in the index occurred between Monday's opening and Tuesday morning. The selling quickly abated and buyers came back in to the sector - but could the sector or the market withstand a third such test?

The rise of the technology sector has been one of the biggest features of the stock market this year. The Nasdaq index has risen 43.5 per cent to its peak in mid-September while the Dow Jones Industrial Average's gain to its peak was 25 per cent.

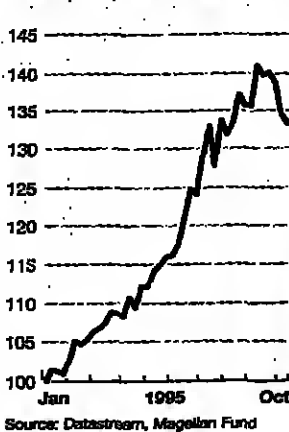
A capital gain of a quarter in less than a year might be regarded by most investors as more than acceptable. But mutual funds sell on performance. The ones which have been heaviest in technology this year have performed the best. They attract the cash flows, and in turn invest that new money in the technology sector, pushing the prices higher and confirming their better performance.

One of the performing funds has been the Fidelity Investments' Magellan Fund. Run by Jeff Vinik, the fund started the year with 37.4 per cent of its money in technology stocks. By the end of April that weighting had risen to 45.6 per cent - more than three times the proportion that technology stocks represent in the Standard & Poor's 500 index.

The fund's net assets have increased from \$36.4bn at the start of the year, to \$51.4bn at the close of business on Monday night through a combination of new money and investment gains. Twenty-four hours later Mr Vinik had lost \$1.3bn on paper, as the technology sector slid.

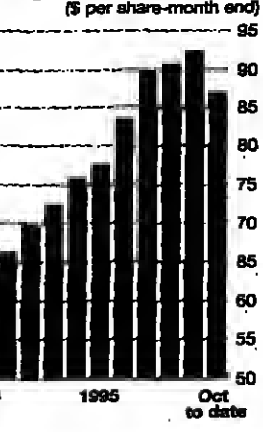
### Technology stocks: the bandwagon slows

Nasdaq composite 1/1/95=100



Source: Datastream, Magellan Fund

Magellan fund (Net asset value) (\$ per share-month end)



Magellan is by no means the only mutual fund which is heavy in technology. And because of the funds' herd mentality, a change of view on the sector would lead to a stampede. Investors could be trapped in the crush.

Rumours that Vinik is selling have swept the market from time to time since the summer. They have remained rumours, since Vinik is far too canny an investor to tell anyone what he is doing.

However, Fidelity does publish its funds' portfolio weightings monthly, with a time lag of about six weeks. This week it revealed that at the end of August the Magellan fund's weighting in technology was 41.9 per cent.

That does not seem a big reduction from the April peak. And it could have been achieved simply by redirecting the cashflows into the fund towards other sectors, rather than selling. The end of September figure may prove more interesting.

The question investors must ask now is whether technology shares are overvalued or not. If not, a reversal such as this week's could be just the slowing of the bandwagon which allows investors who missed out earlier to jump on.

Certainly the industry is growing at an extraordinary rate. Texas Instruments, the semiconductor maker, said on Thursday, that worldwide demand for chips will grow by 40 per cent this year. Prices for its chips were stable it said.

With that background, technology stocks should command a substantial premium to the market - especially as the economy as a whole is slowing.

Texas Instruments' earnings per share for the first nine months of 1995 are up 56 per cent. Its share price has doubled since the start of the year, to around \$74.

Although the share price has risen much faster than earnings, the p/e ratio is still modest at around 20 for last year, coming down to perhaps 12½ this year if the pace of earnings growth continues in the fourth quarter.

But other technology companies have not done as well as Texas. Apple, for instance, has had a miserable year with poor earnings combined with boardroom arguments over the company's direction.

It seems unfair that the woes of some stocks should bring down the whole sector. But that is the way markets work. It also appears cruel that a sell-off in technology stocks should hit the rest of the market, as it did on Monday and Tuesday, when otherwise it should have been a good week.

Third quarter earnings figures have so far failed to vindicate Cassandras warning of a profit slowdown. And the news from the economy has been good - statistics this week confirming the desired low inflation with sustainable growth combination.

That has brought long bond yields down to levels not seen since the Federal Reserve started raising interest rates in February last year.

### Dow Jones Ind Average

Monday	4,726.22	-42.99
Tuesday	4,720.80	-5.42
Wednesday	4,735.25	+14.45
Thursday	4,764.88	+29.63
Friday		

## Dizzy dive turns to high flying

Philip Coggan looks back on a topsy-turvy week

Up, down, flying around, looping the loop and defying the ground. The theme song from *Those Magnificent Men in Their Flying Machines* was definitely the anthem of the week.

It made you dizzy just to watch the news. First, there was a Tory MP, a former member of the Thatcherite No Turning Back group, defecting to the opposition because the Conservative party was too right wing.

Then, on the financial markets, the technology sector provided what investors had long been fearing. A profits warning from software group Novell on Monday, and a statement from Motorola on Tuesday that the growth rate in cellular subscribers was declining, sent tech stocks and the broader US market, into retreat.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday, and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

There was more behind London's rise than just relief at Wall Street's rebound, however. That trusty ally of the bulls, bid speculation, roared back into life. The catalyst was the agreed £13.6bn merger between Lloyds Bank and TSB.

While the all-share deal will release relatively little cash into the market - a special dividend of 21bn - compared with earlier megadeals such as Glaxo-Wellcome, the announcement caused the inevitable

knock-on speculation about further mergers in the banking sector.

Two more takeovers came close to conclusion with Fisons, the drugs group, recommending an offer from Rhône-Poulenc Rorer, and electricity group Norweb backing an increased bid from North West Water.

It was probably a good job the bid news was so supportive because there was little to encourage the market elsewhere. The results season is winding down but, nevertheless, there has been an alarming decline in the four-week average of the dividend index, this column's indicator of corporate sentiment.

In mid-September, the index was motoring along above 60 per cent but it has dropped to 47.2 per cent in the past few weeks, close to its low for the year. The index is calculated by subtracting the number of decreased payouts from the number of increases, and expressing the result as a per-



Markets virtually looped the loop this week

centage of the total (including maintained payments).

The UK economic news was scarcely benign. September's rise in the annual rate of inflation to 3.9 per cent, its highest level for three years, was due partly to the effect of hot weather on seasonal food prices. Nevertheless, with underlying inflation (which excludes mortgage interest payments) at 3.1 per cent, well outside the government's 1 to 2.5 per cent target band for the end of this parliament, it is very hard to make a plausible case for an interest rate cut.

The chancellor's strong hint that next month's Budget would deliver the first instalment in a series of tax cuts, despite the deteriorating outlook for the public sector borrowing requirement, makes a rate cut even less plausible. The bond markets would surely punish severely a government which was lax in its approach to both fiscal and monetary policy.

Incidentally, the rise in headline inflation dented one of the bullish arguments for the UK stock market. For the first time since mid-1992, the dividend yield on the All-Share index is below the inflation rate; in other words, shares offer a negative yield in real terms.

One technical sign indicates the market might not be as healthy as Footsie makes it appear. On two days this week, the number of stocks recording 1995 lows was greater than those reaching new highs. That is the first time this has happened since July and shows that the strength of the market is focused narrowly in a few stocks (the bid candidates are

obvious examples). Further signs of the same phenomenon are that the 10-day average of declining stocks continues to be greater than that of advancing stocks, and that the broad All-Share index has yet to top its February 1994 high.

Volatility of the kind seen this week can also be a sign of the equity market reaching a turning point. Certainly, a correction looks overdue in New York, and in London; Footsie has risen 600 points in seven months.

But those analysts who have been bullish so far this year are obviously encouraged by the market's rebound over the past two days. Ian Harnett, chief economist at broker SGST, says: "Liquidity plays an important role. The government's interest rate policy is doing nothing to dampen liquidity, which is finding its way back into equities."

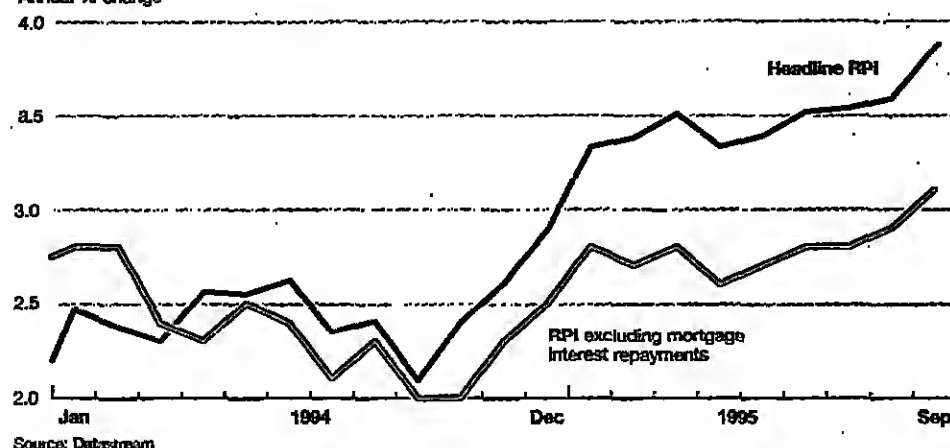
Harnett feels that fundamentally, valuations still look attractive on a relative and absolute basis, and he is sticking by his Footsie forecast of 4,100 by end-1996.

Brian Marber, a technical analyst, says there are some worrying signs of a pattern called a "head and shoulders top" in Footsie. But he adds: "I do not believe we have seen the peak of the bull market, nor are we seeing the start of the bear market."

With the eighth anniversary of Black Monday approaching on Thursday, investors will certainly be hoping that Harnett's and Marber's confidence is justified.

### Prices on the rise again

Annual % change



Source: Datastream

### Highlights of the week

	Price	Change	1995	1995
	Ytd	on week	High	Low
FT-SE 100 Index	3668.0	+41.5	3570.8	2954.2
FT-SE Mid 250 Index	3945.3	-33.7	3991.3	3300.9
Amgen	65	-35	102	43
Aria Wiggins Apptn	235½	-14	290	219
Cadbury Schweppes	547	+50	549	370
Dalmeida Foods	138	+29	163	93
Grand Metropolitan	454	+24	459	352
Greenall	492	+30	527	402
JJJ Sports	430	+22	433	229
Lloyds Bank	774	+69	781½	530
Quintix Software	702	+76	705	362
Royal Bank of Scotland	522	+58	524	373½
Smyth (David S)	578	-22	678	490
TSB	370	+96	372½	217
TeleWest	176	-9	195	147

Bid speculation  
Lagging behind the leaders  
Loss of marketing agreement  
Profit forecast downgrade  
Bid speculation returns  
In "substantial transaction" talks  
Vague bid talk  
Boddington acquisition benefits  
Bumper figures  
Potential cost savings  
US takeover approach  
Bid rumours  
Forecast downgrades  
Lloyds merger deal  
Sector weakness



Barry Riley

## Chancellor Ken's real challenge

In 1996, economic growth must shift to the personal sector

So Kenneth Clarke, the chancellor of the exchequer, is looking forward to his Budget statement next month a lot more than he looked forward to the previous two. He will certainly aspire to please the loyal Tory supporters at Blackpool who are expecting income tax cuts so eagerly. But will the Budget have much more to offer than political trickery?

Around the world, this is a tough time for budgeting. The US government has locked horns with Congress over its planned deficit, and much of Europe is beset by fiscal problems that are edging towards the critical.

This week, for instance, French civil servants marched through the streets of Paris in protest against a salary freeze. The Austrian government collapsed on Thursday after a coalition row over social security cuts. Similarly, the Spanish budget has provoked a new political split and might not be approved in the National Assembly. Across Europe, taxes have been rising sharply and economic growth rates are sagging.

Andrew Dilnot, of the Institute for Fiscal Studies, told Wednesday's Green Budget seminar (held jointly with Goldman Sachs) that pre-election periods tend to be ugly and sordid experiences for believers in prudent finance and rational taxation.

There is no economic justification for tax cuts in the UK, but the chancellor is bound to offer at least nominal income tax reductions next month.

More importantly, he will set out a programme for much bigger cuts over the next two years, before and after the planned spring 1997 election. He will need to put some promises in the shop window because, with a parliamentary majority now down to five, the government might well not survive until then.

But Clarke's luck appears to have been running out. Even his keynote speech at the Tory party conference on Thursday was spoiled by the publication earlier that morning of an inflation rate for September well above expectations, at 3.9 per cent.

In his early days as chancellor, once he had survived the poisoned chalice of the second round of tax increases inherited from Norman Lamont, everything appeared to go right. The economy suddenly started to boom (thanks to a freakish surge in world trade), unemployment began to fall and inflation stayed steady at the historically very low level of around 2.5 per cent.

Now, though, the economy has slowed sharply and public sector borrowing, estimated originally at £21bn for 1995-96, is seriously overshooting - to £27bn, according to Goldman

Sachs, and to more than £30bn on some other estimates. Monetary growth has shot up, and now underlying inflation of 3.1 per cent makes Clarke's targets look stranded.

Tory chancellors faced with similar circumstances in the past have taken huge risks. Reginald Maudling, who

became chancellor at the same stage of the electoral cycle but, this time, the economy was actually shrinking. The response was to allow public spending to rise sharply - for instance, through generous pay settlements.

Public spending rose by 2.5 per cent in real terms between 1990 and 1991, while the economy contracted by 2.1 per cent. It was enough to snatch election victory - but the Tories were left slogged in their own smouldering clay. In calendar 1993, public sector borrowing reached £50bn and the party of low taxation turned out to be something, well, different.

What are the options this time? It looks like being a combination of both 1964 and 1992. Growth has slowed because exports have stalled and there is de-stocking in manufacturing industry, but consumer spending will be massaged up next year. Rising pay inflation and a widening trade gap will be ignored, just as the present acceleration of the money supply is being brushed aside.

As for public spending, some extremely ambitious targets will be announced next month and incorporated into the financial forecasts but, in practice, be permitted to overshoot. The full picture for 1996-97 will not become apparent until after the election.

Is this too cynical? The

Bank of England could scarcely stand by just wringing its hands as this inflationary scenario developed. Certainly, interest rates would have to rise. But it just so happens that electricity rebates will reduce published inflation sharply, although temporarily, in 1996. This is serendipity indeed.

As for the markets, inflation and growth are just what the stock market loves. And, if next year, it appears that the government is closing the yawning opinion poll gap against Labour, many investors will reckon that the end justifies the means. The foreign exchanges and the gilt-edged market will see it differently, though.

Fortunately for the UK government, there are so many other and more immediate financial problems around Europe - especially in France - that the attention of the markets is distracted. All the same, the gap between the yields on German and British government bonds has been drifting up for a year, and the trend will continue.

For Clarke, the really crucial economic change in 1996 must be that growth shifts to the personal sector, where the average earner is now worse off in real terms than a year ago and is liable to vote accordingly. The question is how big the bill will be in 1997-98, and who will pick it up.

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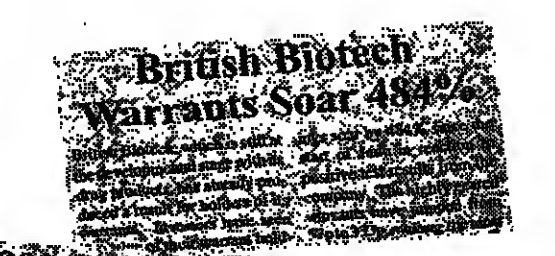
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